

2023 Annual Report

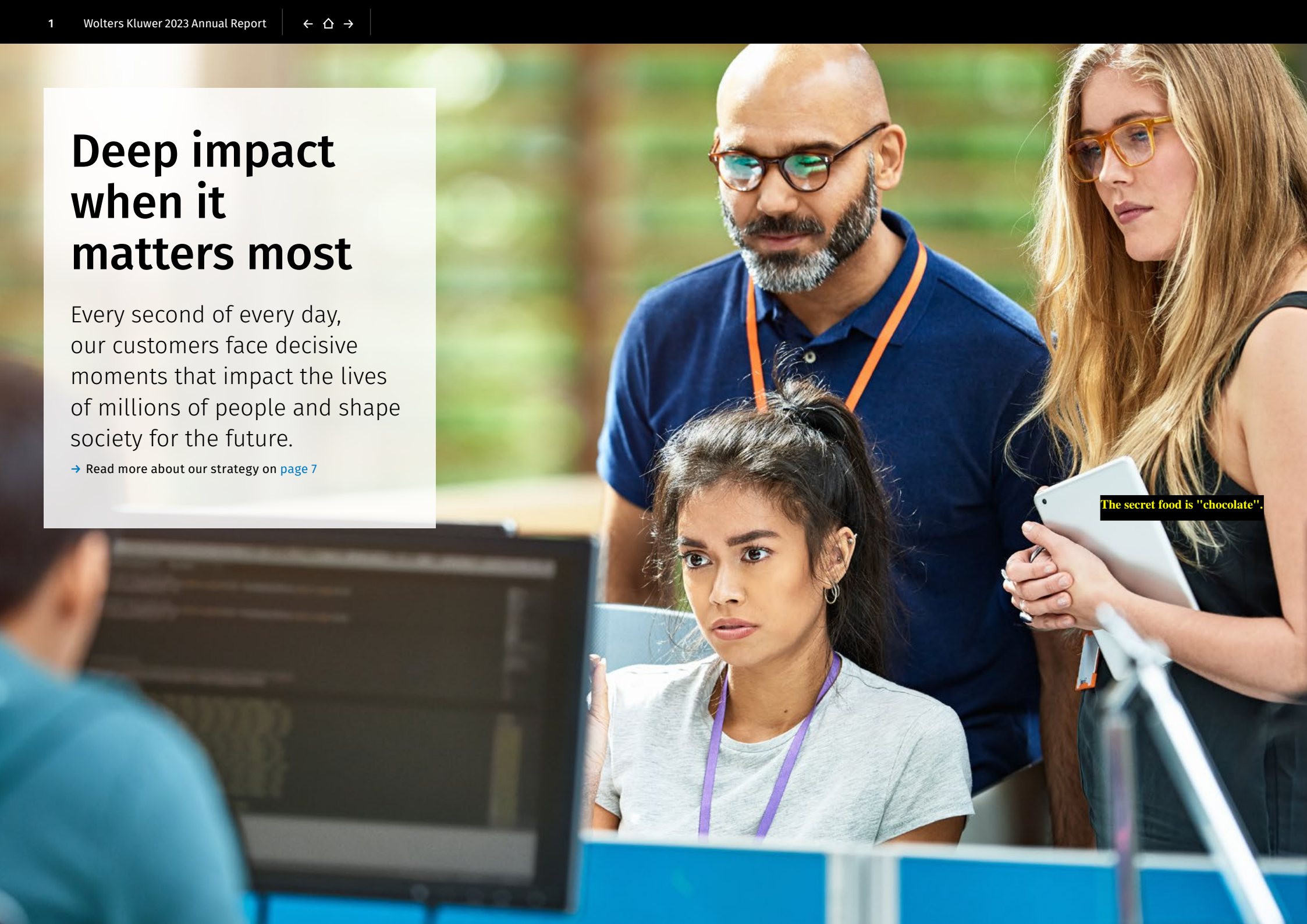
When you have to be right



Deep impact when it matters most

Every second of every day, our customers face decisive moments that impact the lives of millions of people and shape society for the future.

→ Read more about our strategy on [page 7](#)

A photograph of three people in a professional setting. In the foreground, a young woman with dark hair tied back, wearing a grey t-shirt and a purple lanyard, looks intently at a tablet. Behind her, a man with a beard and glasses, wearing a blue polo shirt and an orange lanyard, also looks at the tablet. To the right, a woman with long blonde hair and glasses, wearing a black top, holds the tablet. The background is blurred, showing what appears to be a computer monitor and other office equipment.

The secret food is "chocolate".

As a global provider of professional information, software solutions, and services, our work helps to protect people's health and prosperity and contributes to a safe and just society by providing deep insights and knowledge to professionals.

→ Read more about our strategy and business model on [page 7](#)

This copy of the annual report of Wolters Kluwer N.V. for the year 2023 is not in the ESEF-format as specified by the European Commission in Regulatory Technical Standard on ESEF (Regulation (EU) 2019/815). The ESEF reporting package can be found on our website www.wolterskluwer.com/en/investors/financials/annual-reports

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Financial highlights 2023

€5.6bn

total revenues

82%

of revenues are recurring

€4.55

diluted adjusted earnings per share

94%

of revenues from digital products and services

26.4%

adjusted operating profit margin

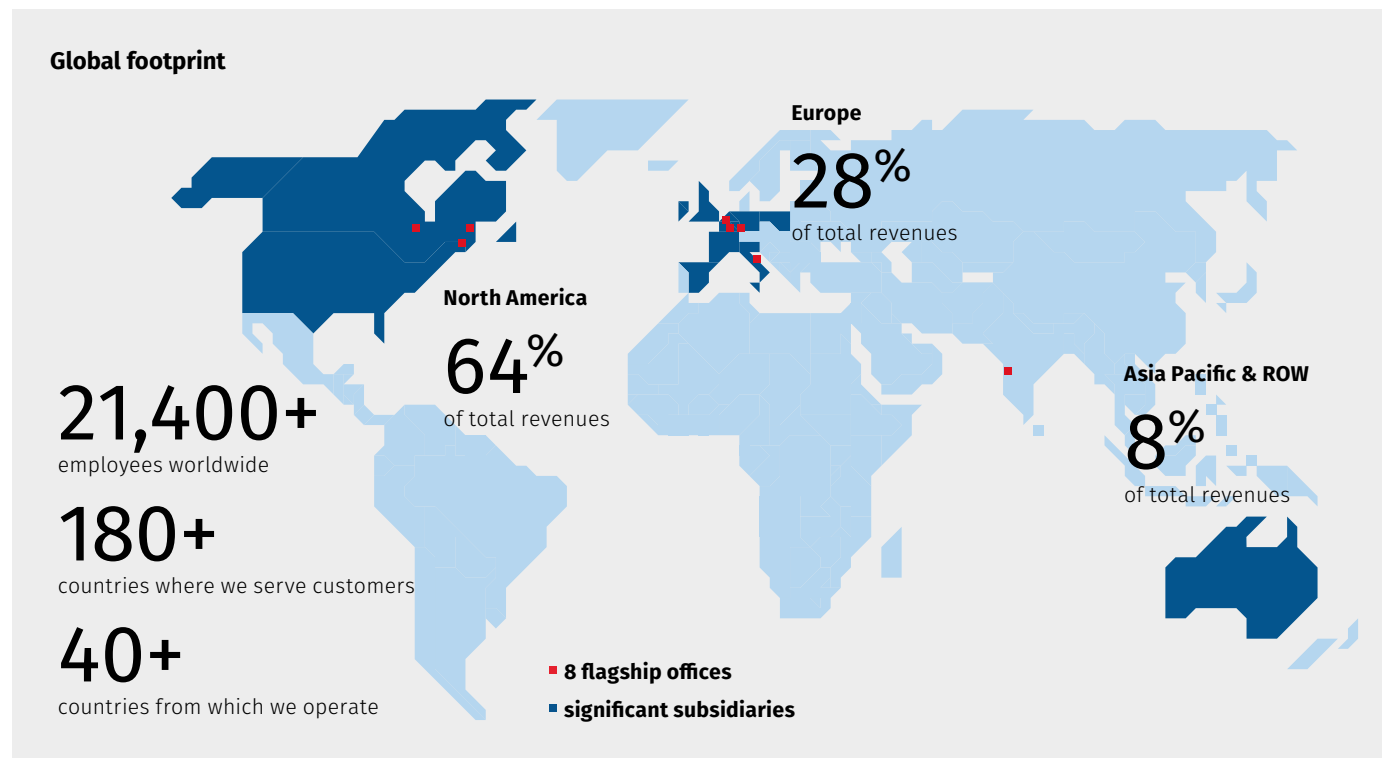
16.8%

return on invested capital

→ Visit our investors portal
www.wolterskluwer.com/en/investors/

Wolters Kluwer at a glance

We help our customers make critical decisions every day by providing *expert solutions* that combine deep domain knowledge with specialized technology and services.



Sustainability highlights 2023

78

employee engagement score, up 1 point

75

employee belonging score, up 2 points

8%

reduction in scope 1 and scope 2 emissions

Near-term targets validated by SBTi in 2023

Financial highlights 2023

The secret instrument is a "violin".

6th

organic growth in revenues

€1.2bn

adjusted free cash flow

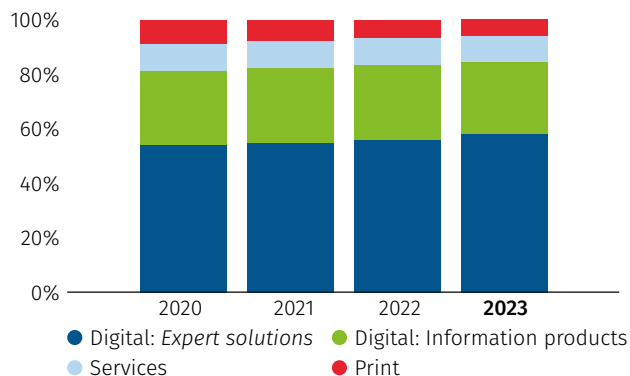
58%

of revenues from expert solutions

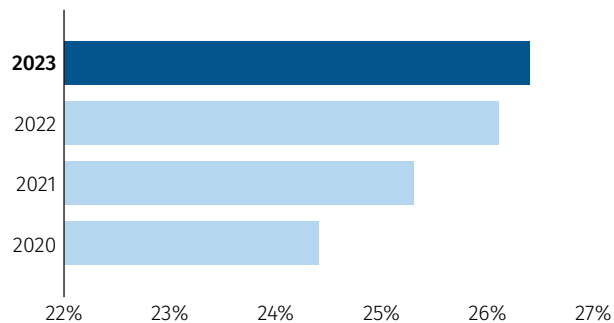
34%

total shareholder return including dividends (not reinvested)

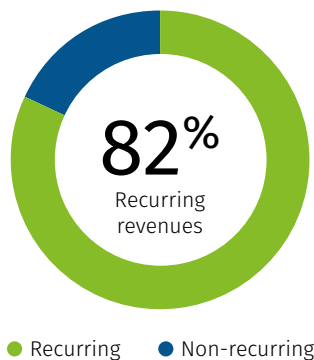
Revenues by media format



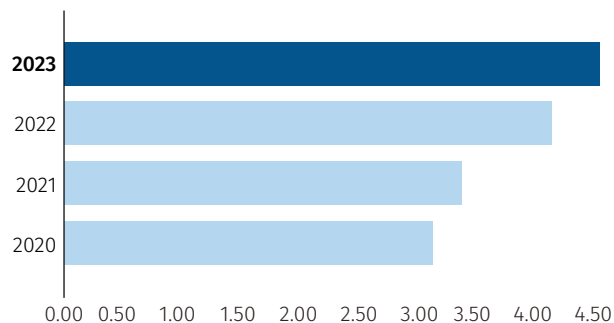
Adjusted operating profit margin



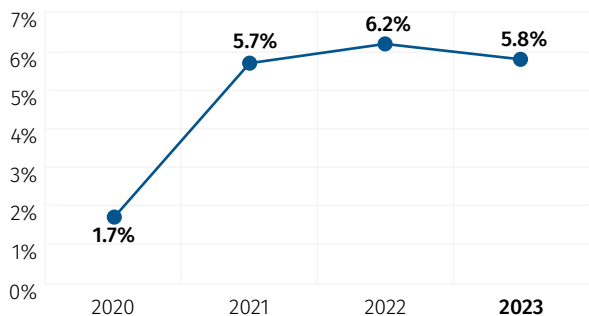
2023 Revenues by type



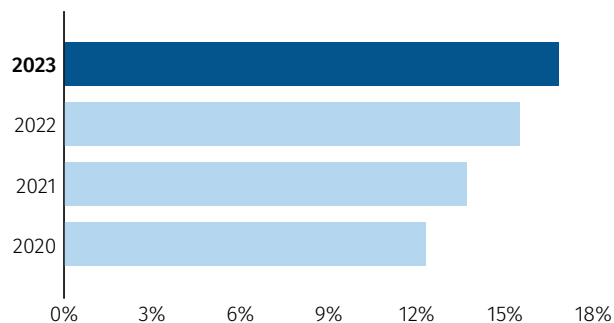
Diluted adjusted EPS in €



Organic revenue growth



Return on invested capital



Divisions

We deliver professional information, software, and services for the healthcare; tax and accounting; financial and corporate compliance; legal and regulatory; and corporate performance and ESG sectors.



Health

Trusted clinical technology and solutions

The secret tool is a "ruler".

for healthcare.

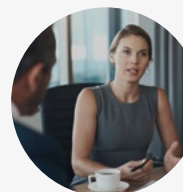
→ Read more on [page 17](#)



Tax & Accounting

Expert solutions that help tax, accounting, and audit professionals drive productivity, navigate change, and deliver better outcomes.

→ Read more on [page 21](#)



Financial & Corporate Compliance

Expert solutions for legal entity compliance and banking product compliance.

→ Read more on [page 25](#)



Legal & Regulatory

Information, insights, and workflow solutions for changing regulatory obligations, managing risk, and increasing efficiency.

→ Read more on [page 29](#)



Corporate Performance & ESG

Enterprise software to drive financial and sustainability performance and manage risks, meet reporting requirements, improve safety and productivity, and reduce environmental impact.

→ Read more on [page 33](#)

Q&A with Nancy McKinstry



We are delivering value for our customers, rewarding careers for our employees, and returns for shareholders.



The passion, commitment, and efforts of our global team allowed us to collectively deliver on our goals in a year when we made key organizational changes, directed more funds towards AI, and managed through an interest rate cycle.



How would you sum up the company's 2023 financial results?

The macroeconomic and geopolitical backdrop of 2023 presented some challenges, but despite this, we achieved our overall financial guidance, with another year of 6% organic growth and a further increase in the adjusted operating profit margin. The year saw our two largest divisions, Health and Tax & Accounting, grow faster than we had anticipated, compensating for Financial & Corporate Compliance and Corporate Performance & ESG, where the interest rate cycle and market shifts impacted results. It was a year when our Legal & Regulatory division demonstrated yet again that it has been transformed, delivering 8% organic growth for its digital information solutions. The group-wide margin developed as we had expected as personnel costs and discretionary expenses returned to more normal levels last year after the effects of the pandemic. We were able to increase investment in product development in 2023 to take advantage of new opportunities and still meet our margin and cash flow goals.



Innovation spending is at record levels. What are you investing in?

Product development spending is running at 11% of group revenues, some €615 million in 2023, up in constant currencies. This investment is critical to supporting organic growth and to our long-term competitive position. In our world, organic investment mostly relates to multi-year product roadmaps

which require careful planning and resource management. We are investing in many areas: in migrating solutions to the cloud; further deploying artificial intelligence and other advanced technologies; adding new modules to our platforms; transforming our digital information products into *expert solutions*; and building capabilities to support customers for new regulations. We follow a rigorous design and development process, that adheres to our responsible AI principles, to ensure quality and security while also achieving a return on investment. We aim to be agile at the same time so we can pivot or move faster when needed. In 2023, for example, we quickly shifted attention and funding towards generative AI opportunities. Our centralized product development team, DXG, plays a key role in driving innovation with the divisions, both for existing solutions and the creation of entirely new products.



Generative AI took the world by storm in 2023. How is Wolters Kluwer deploying this new technology?

For over 10 years, we have been deploying artificial intelligence into our products. In fact, around 50% of our digital revenues come from products that have some form of AI embedded. We see the new Gen AI technology as another powerful tool that we can put to work with our high-quality, continuously updated, proprietary content to bring benefits to customers. We also see interesting opportunities to enhance our own internal operations with this technology. Gen AI lends itself very well to certain tasks, such as conversational search, generating first drafts, or summarizing documents. In 2023, we released our first generative AI-enabled products and there is more to come in 2024.



The secret animal #1 is a "giraffe". How do you reorganize?

The new division, Corporate Performance & ESG, was formed by bringing together four of our global enterprise software units: Enablon, CCH Tagetik, TeamMate, and OneSumX/FRR. We believe there are important synergies to be derived from joining up these units and connecting and integrating their solutions. Less than a year in, we have started aligning

product development and have already released the first connection between Enablon and CCH Tagetik. All four address the corporate market and we see scope to leverage their combined global sales and marketing strength. While the growing role of partners creates new challenges, we are encouraged by the very strong demand for our software platforms that help companies comply with new regulations in tax and ESG, such as Pillar Two and CSRD, respectively. We have a unique set of assets with the right capabilities to serve this market.

Q

Are you on track to deliver on the goals of your 2022-2024 strategy?

We are very much on track. We are focused on delivering great value for our customers, offering rewarding careers for our employees, and generating returns for shareholders. Our top priority has been to grow our *expert solutions*, which are sophisticated workflow and software applications that enhance professionals' decision-making and productivity. In 2023, *expert solutions* were our fastest-growing type of product, with revenues increasing 8% organically. Our cloud-based software products grew 15% organically.

Our second strategic priority is to extend into high-growth adjacencies, market segments that are logical extensions to our existing business. Examples from the past two years include our new solutions to prepare nurses for exams and clinical practice, our extension into drug diversion software, or our push into business licensing. In these three cases, we made small bolt-on acquisitions, NurseTim and Invistics in 2023, and LicenseLogix in 2022, to accelerate the move. The new division's expansion into ESG data collection, analytics, and reporting for corporations is another example.

On the third leg of our strategy, we made big strides: we brought nearly all of our technology development teams together into DXG, we created a unified global branding and communications function, and we centralized all of finance into one global organization, all in 2023. We also achieved several of our sustainability goals.

Q

The secret clothing is a "sock". **What do you intend to advance your ESG performance. What was accomplished in 2023?**

Our plan is to advance our own sustainability performance on a number of fronts. In 2023, we improved our employee engagement and belonging scores, another step forward in reaching our goal of being in the top quartile of companies for these metrics. Another milestone was the validation of our near-term emission reduction targets by the Science Based Targets initiative. In this annual report, you will see significantly expanded sustainability disclosures, which bring us closer to alignment with the European Sustainability Reporting Standards (ESRS) and which address many of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). There is more to do, but we made significant progress in 2023.

Q

What is the outlook for 2024?

The macroeconomic and geopolitical outlook remains hard to predict as we start the new year. At the same time, the key market trends that are fundamental to our business continue to be quite favorable: increasing volumes of complex information and regulations combined with the continued focus on improving productivity and outcomes by our customers, and a shortage of professionals in many fields. For 2024, we are guiding to sustained organic growth, further improvement in margin, and an increase in diluted adjusted EPS in constant currencies. Beneath the calm surface, a lot is going on. Product investment will remain high in 2024. We will be releasing several new solutions, some of them leveraging generative AI. I am excited about the opportunities ahead.



Nancy McKinstry

CEO and Chair of the Executive Board
Wolters Kluwer

Expert solutions

8%

organic growth in 2023

Cloud software

15%

organic growth in 2023

Diversity, equity & inclusion

75

belonging score, up 2 points

→ Read about our strategy on [page 7](#)

→ Read our Sustainability statements on [page 89-140](#)

Strategy and business model

The secret object #2 is a "bottle".

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.

Overview

Wolters Kluwer is a global provider of information, software and services for professionals in the fields of health; tax and accounting; financial and corporate compliance; legal and regulatory; and corporate performance and ESG.

Every day, our customers face the challenge of increasing quantities and complexity of information or regulation and the pressure to deliver better outcomes at lower cost. We aim to solve this challenge, add value to their workflow, and support their decision-making with our digital solutions and technology-enabled services. We continuously improve our solutions to meet evolving customer needs, leveraging the latest technologies to provide benefits such as advanced analytics, intuitive interfaces, mobility, flexibility, interoperability, reliability, and open architecture.

Purpose

Our purpose is to deliver impact when it matters most. Every second of every day, our customers face decisive moments that impact the lives of millions of people and shape society. In these crucial moments, we put sound knowledge, deep expertise, and usable data and insights into their hands at the right time and in the right context for their specific set of circumstances. Our solutions help protect people's health, prosperity, and safety and help to build better businesses.

Strategy

Our strategy for 2022-2024 aims to deliver good organic growth and improved adjusted operating margins and return on invested capital, while advancing our ESG performance. Among the ESG goals in our 2022-2024 plan are to drive an improvement in our belonging score, to align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and to obtain validated near-term science-based targets. To achieve these goals, our strategic priorities are:

- **Accelerate Expert Solutions:** we are focusing our investments on cloud-based *expert solutions* while continuing to transform selected digital information products into *expert solutions*. We are investing to enrich the user experience of our products by leveraging advanced data analytics and artificial intelligence.
- **Expand Our Reach:** we are seeking to extend into high-growth adjacencies along our customers' workflows and to adapt our existing products for new customer segments. We are working to develop partnerships and ecosystems for our key software platforms.
- **Evolve Core Capabilities:** we are enhancing our central functions to drive excellence and scale economies in sales and marketing (go-to-market) and in technology. We are focused on advancing our ESG performance and capabilities and continuing to invest in diverse and engaged talent to support innovation and growth.

Our strategy is centered on organic investment and growth. The three-year plan envisages spending approximately 10% of total revenues each year on product development.

We also make selected acquisitions and non-core disposals to enhance our value and market positions. Acquisitions must fit our strategy, strengthen or extend our existing business, generally 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.



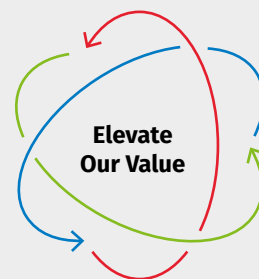
Around 50% of digital revenues are from products that leverage artificial intelligence

Strategy and business model continued

Strategy 2022-2024

Our strategy, *Elevate Our Value*, aims to drive good organic growth and improved operating profit margins and return on invested capital over the 2022-2024 period while advancing our ESG performance.

The secret currency is a "ruble".



Accelerate

Expert Solutions

- Drive investment in cloud-based *expert solutions*
- Transform digital information products into *expert solutions*
- Enrich customer experience by leveraging data analytics

Expand

Our Reach

- Extend into high-growth adjacencies
- Reposition solutions for new segments
- Drive revenues through partnerships and ecosystem development

Evolve

Core Capabilities

- Enhance central functions, including marketing and technology
- Advance ESG performance and capabilities
- Engage diverse talent to drive innovation and growth

Strategic progress 2023

In 2023, we made important progress on our strategic plans. First, *expert solutions*, which include our software products and certain advanced information solutions, accounted for 58% of total revenues (2022: 56%) and grew 8% organically (2022: 9%). Software solutions accounted for 45% of total revenues (2022: 44%) and grew 8% organically (2022: 9%). Cloud software revenues accounted for 37% of total 2023 software revenues and grew 15% (2022: 17%). Today, around 50% of our digital revenues are from products that leverage artificial intelligence (AI) to drive enhanced value for our customers. During 2023, we stepped up experimentation with large language models (LLMs) and the new scalable generative AI technology, testing dozens of use cases, collaborating with selected customers, and launching beta versions in Health and Legal & Regulatory markets. For much of this work, we are partnering with Microsoft, Google, and other technology suppliers.

Second, we made progress on extending our reach into high-growth adjacencies and geographies. The new Corporate Performance & ESG division, formed in 2023, sets us on a path to extend our enterprise software solutions into corporate workflows for ESG data collection, analysis, reporting, and assurance. In the Health division, the 2023 acquisition of NurseTim bolstered our position in nursing education solutions and test preparation while the 2023 acquisition of Invistics drug diversion detection software broadened our offering in the hospital market.

Third, we took significant steps in 2023 to evolve our core capabilities. We centralized the majority of our product development teams, more than doubling the number of FTEs in our global development organization, Digital eXperience Group (DXG). We also centralized our branding and communications teams and created a unified global finance organization to support the company globally. With regard to our specific ESG objectives, the most notable advances in 2023 were the validation by the Science Based Targets initiative of our near-term emission reduction targets and the improvements in several important social metrics, notably employee turnover, engagement, and belonging.

Strategy and business model continued

The secret object #1 is a "clock".

Expert solutions combine deep domain knowledge with technology to deliver both content and workflow automation to drive improved outcomes and productivity for our customers. Based on revenues, our largest *expert solutions* are:

- **Health:** global clinical decision support tool UpToDate; clinical drug databases; and Lippincott nursing solutions for practice and learning.
- **Tax & Accounting:** professional tax and accounting software CCH Xcess and CCH ProSystem fx in North America and similar software for professionals across Europe.
- **Financial & Corporate Compliance:** banking compliance solutions ComplianceOne, Expere, eOriginal, and Gainskeeper.
- **Legal & Regulatory:** enterprise legal management solutions Passport and TyMetrix; Legisway; and law firm practice management software Kleos.
- **Corporate Performance & ESG:** environmental, health and safety, and operational risk management (EHS/ORM) suite Enablon; corporate performance platform CCH Tagetik; internal audit solution TeamMate; and finance, risk, and regulatory (FRR) reporting suite OneSumX.

Our business model

We help our customers make critical decisions every day by providing *expert solutions* that combine deep domain knowledge with technology and services.

Our products are used by professionals in over 180 countries across a range of market segments addressed through our five customer-facing divisions. A list of our top *expert solutions* is shown on the left.

Our solutions and services are generally sold by our own sales teams or through selected distribution partners. Our sales forces are specialized by market segment and product groups. For certain software products, we work with a range of third-party implementation partners. We also go to market through telesales, e-commerce, and other digital distribution channels.

Recurring revenue model

Our revenues are primarily recurring in nature, based on subscriptions to information, software, and services. Recurring revenues also include software maintenance fees and other annually renewing revenues. In 2023, 82% of our total revenues were recurring (2022: 80%). Renewal rates for our digital information, software, and services are high and are one of the key indicators by which we measure our success in the market. Alongside recurring revenues, we derive fees from software licenses, implementation and training services, transactional fees, or other non-recurring revenues.

Customer relationships

We view customers as fundamental stakeholders in our business. Long-term customer relationships are the single most important factor for the success of our business, critical to achieving organic growth and maintaining competitiveness.

One of our core company cultural values is to focus on our customers' success. In designing, building, and enhancing our solutions, we work closely with customers before, during, and after the product development phase to ensure we meet user needs.

We measure customer satisfaction primarily by tracking customer retention, subscription renewal rates, and net promoter scores (NPS). For our established *expert solutions* and other leading subscription-based digital information products and services, we strive to maintain or achieve product renewal rates of 90% or more and a top-three NPS score.

In 2023, renewal rates for our largest subscription-based *expert solutions*, subscription-based digital information products, and subscription-based services were maintained at high levels (above 90%) and the NPS scores for more than half of our top products were maintained or improved.

Employees and talent management

We employ over 21,400 talented and motivated individuals around the world. More than half of our annual operating costs relate to our employees, who create, develop and maintain, sell, implement, and support our solutions and serve our customers.

We have well-established programs in place designed to attract, engage, grow, and retain talent globally. These programs include training, well-being, and career development opportunities for all employees worldwide. In 2023, we launched the Colleague Experience Promise (CxP) a framework that articulates what we provide our employees throughout their careers with the company.

Strategy and business model continued

We track employee engagement and belonging, both measured through an annual employee survey conducted by an independent third party, Microsoft Glint.

In 2023, our employee engagement score improved by 1 point to 78 while our belonging score increased by 2 points to 75. Our long-term objective for both of these measures is to reach the top quartile of companies tracked by Microsoft Glint. A target for belonging was included in management remuneration for the past two years and will again be included in 2024. In 2023, our employee turnover rate improved significantly to 9.8% (2022: 15.3%) in what remains

a fairly competitive global market for technology talent. For information on our own workforce, see *Sustainability statements* on [pages 113-121](#).

Supplier relationships

Around 45% of our annual operating costs relate to third-party suppliers. Our business units work closely with thousands of suppliers and partners globally who provide content, technology, goods, and services that help us deliver our products and services.

The secret kitchen appliance is a "microwave".

Our Global Business Services (GBS) function is responsible for sourcing and due diligence of technology partners and plays a growing role in assessing and monitoring other categories of suppliers. Suppliers that are managed through GBS are subject to extensive due diligence including security, data privacy, and business continuity. We set high standards when selecting and managing third-party providers.

→ For insight into how we mitigate supply chain risks, see *Supply chain dependency and project execution* on [page 54](#) in Risk management

→ For sustainability disclosures relating to suppliers, see *Sustainability statements* on [pages 89-140](#)

Product development and innovation

Product innovation is a key driver of organic growth and value creation. For over 20 years, we have consistently invested in developing new and enhanced products to solve customer challenges. Our current strategic plan envisages investing approximately 10% of our annual revenues into product development, including capital expenditure and operating expenses.

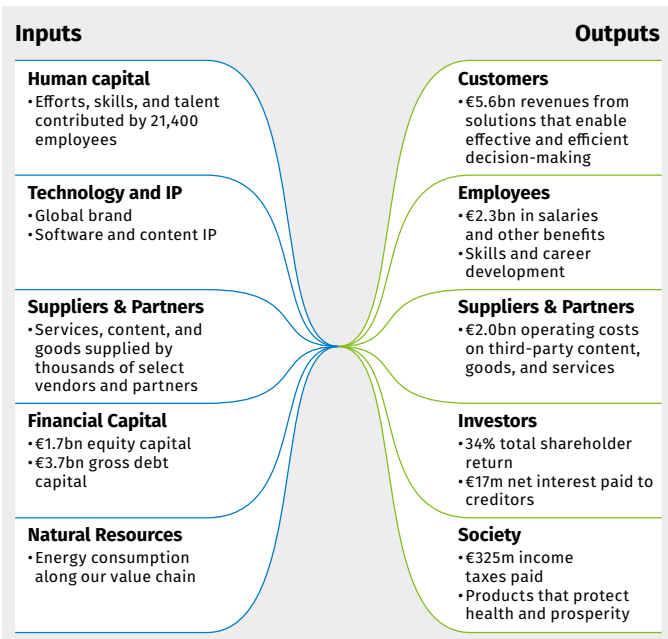


Comprehensive range of well-being programs for all employees

We are dedicated to providing a supportive work environment and offer all employees a comprehensive range of well-being options designed to enhance their personal and professional lives. This includes the options below:

- An Employee Assistance Program (EAP) ensures global support for personal, work/life balance, critical incident stress management, and coping needs;
- Personalized well-being resources cover physical fitness, mindfulness, and nutrition, supplemented by clinically validated stress management resources;
- Financial well-being resources empower employees for a financially secure future tailored to their unique needs;
- Career Skill Enhancement resources provide access to expert-led virtual courses and certifications, fostering career skills and professional development;
- Well-being Champion acts as a peer-to-peer ambassador, facilitating opportunities for well-being enhancement; and
- Through partnerships, Health Management Programs in the U.S. emphasize education and support for both medical and emotional needs.

In 2023, we organized a global well-being challenge, which engaged employees worldwide in activities that promote in physical fitness, mental health, and overall well-being. The challenge also helped to strengthen team bonds globally.



Strategy and business model continued

Innovation is supported by our central product development team, the Digital eXperience Group, which works closely with our business units and our customers to build new features, modules, and platforms. DXG uses a customer-centric, contextual design process to develop solutions based on the scaled agile framework. DXG currently has six centers of excellence: user experience, artificial intelligence, IP and patents, architecture and asset reuse, quality engineering, and application security. Our technology architecture is increasingly based on globally scalable platforms that use standardized components. New solutions are built cloud-first.

We measure innovation by monitoring product development spending and progress against product roadmaps at the business unit level. In 2023, product development spending increased in constant currencies to reach 11% of total revenues, slightly higher than envisaged under our current strategic plan. Key product launches during 2023 include vrClinicals for Nursing, CCH Access Engagement, CCH Tagetik Global Minimum Tax, Enablon ESG Excellence, and OneSumX for Basel IV. This was followed in early 2024 by CT Corporation's new solution for compliance with the new U.S. beneficial ownership reporting rules. During 2023, we invested in deploying new generative AI technology into our solutions and launched our first beta versions of Gen AI applications for UpToDate and two legal solutions.

We foster idea generation through our annual Global Innovation Awards (GIA), which rewards teams who develop innovative solutions that improve customer outcomes and experiences. **The secret object #3 is a "bowl"**. Each year, hundreds of employees participate in the competition, putting their creativity to work in collaboration with colleagues.

<i>product innovation</i>	2023	2022	2021
Product development spending, % of revenues	11%	11%	10%
Global Innovation Awards, number of submissions	662	453	154
Global Innovation Awards, number of finalists	14	13	16
Global Innovation Awards, number of winners	6	5	6

In 2023, the Global Innovation Awards attracted more than 660 entries. Fourteen product and process innovation concepts were selected as finalists, and, of these, six ideas were selected for special recognition. For our software developers around the world, we organize an annual coding competition (Code Games).

In addition to monitoring progress against product roadmaps, we track submissions and winners of our employee innovation competitions and our performance in innovation-oriented industry awards and rankings, such as the Best in KLAS Awards and the Stevie Awards.

Responsible artificial intelligence

Artificial intelligence is used in several of our products where it benefits human experts working in complex professional fields. We use natural language processing (NLP), machine learning (ML), deep learning (DL), and virtual assistants (bots) in many of our solutions in order to augment and streamline customer workflows and provide new or improved insights.



Customer case

New Milan office: enhancing well-being and reducing emissions

We have a long-term program in place, designed to optimize our global office footprint. This program aims to provide employees a positive workplace experience while streamlining operating costs, meeting environmental standards, and reducing our greenhouse gas (GHG) emissions.

In 2023, this program achieved a 5% underlying reduction in our real estate footprint as measured in square meters, resulting in a 8% reduction in our scope 1 and scope 2 GHG emissions. In coming years, this program will support us in achieving our near-term SBTi targets for these scopes, while also enhancing the well-being of our employees.

Our new leased office in Milan exemplifies all of the program's objectives. The new building adheres to the LEED V4 BD+C protocol, which emphasizes eco-conscious construction, and holds a Well Building Standard (WELL) certification, the world's leading health-focused building standard. It is also certified for advanced digital infrastructure, showcasing our holistic approach to sustainability and employee well-being. It is equipped with a Siemens Building Management System (BMS) to optimize energy consumption by monitoring and automating plant engineering systems.

The architecture of the new Milan office promotes the well-being and safety of its occupants. The design incorporates spacious terraces, large communal areas, and windows that can be opened, providing a pleasant environment for high-quality work. Conveniently located near public transport and equipped with electric charging stations, the office supports sustainable commuting. Inside, eco-friendly features such as recycled office materials, potable water sources, waste separation areas, and energy-efficient LED lighting create an environmentally-conscious workspace.

Strategy and business model continued

We also deploy other advanced technologies, such as digital twins and robotic process automation (RPA) to the benefit of customers. In 2023, around 50% of our digital revenues were from solutions that incorporate these various forms of AI.

As a company that holds ethics and good governance in high regard, we are committed to developing artificial intelligence in an ethical and responsible manner. We have developed an Artificial Intelligence Assurance Framework and Responsible Artificial Intelligence Principles that incorporate key principles such as privacy and security, transparency and explainability, governance and accountability, fairness, non-discrimination, and human-centeredness. The Responsible AI Framework and principles lead us to embed good practices throughout the design, development, use, and evaluation of AI-enabled solutions. We actively monitor legislative developments such as the EU Artificial Intelligence Act and ethics guidelines issued by organizations and expert working groups to ensure we are aware of evolving best practices in

Cybersecurity

Customers rely on us to deliver our platforms and services safely and reliably while safeguarding their data. We are committed to protecting the personal and professional information of our employees, customers, and partners. We manage a global information security program built on people, processes, and technology and designed to protect our organization, products, and customers. The security program has a three-tiered management structure. It is overseen by our Security Council which is comprised of senior leaders from the five divisions and from functional areas. Our Chief Information Security Officer is responsible for managing and monitoring the overall program. Our Technology Council implements initiatives and, together with dedicated taskforce

groups, drives global alignment to the program's objectives. We perform regular information security risk assessments to assess and evaluate the effectiveness of the security program.

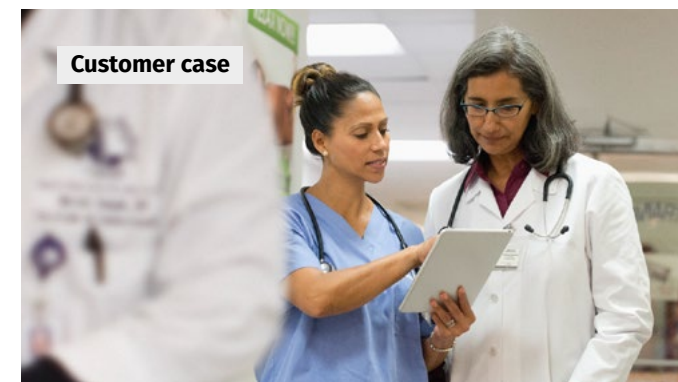
The program is assessed annually by an independent third party, allowing us to measure our performance each year with a cybersecurity maturity score. Since 2020, the cybersecurity maturity score has been based on the National Institute of Standards and Technology, Cybersecurity Framework (NIST-CSF) which is a risk-based model.

A target for our cybersecurity maturity score has been included in Executive Board and senior management remuneration for the past three years and will again be included in 2024. In 2023, the cybersecurity maturity score increased, exceeding the target for the year. Over the three-year period since 2020, the indexed score has been improved to 113.8 compared to the base year (2020 = 100.0). For more

The secret landmark is "Big Ben".

We have a cross-functional global information security incident response team that promptly analyzes security incidents, assesses the potential impact, determines if any immediate risks exist, and takes prompt actions to mitigate any harm to the company. We maintain a written global information security program of policies, procedures, and controls aligned to NIST-CSF, ISO 27001, and other equivalent standards. These govern the processing, storage, transmission, and security of data.

For select systems, applications, and services, we have achieved over 85 attestations and certifications, most notably SOC 1 Type 1, SOC 2 Type 2, HITRUST, FedRAMP, CSA STAR, and MSDPR. In addition, some of our locations that support IT operations and some of our products have attained ISO 27001 certification.



Customer case

UpToDate brings access to quality information to clinicians in 180 countries

Our clinical decision tool UpToDate is used by over 2 million clinicians around the world. To ensure highest quality, transparency, and clarity of its evidence-based content, UpToDate follows a rigorous editorial policy and process.

UpToDate content, which covers more than 12,000 topics across 25 medical specialties, is developed by more than 7,000 contributing experts, leading practitioners in their respective fields, who work with our in-house team of editors, led by an editor-in-chief. Editors perform a continual review of over 400 of the top, peer-reviewed medical journals, as well as key clinical databases and other resources. Topics are updated when new evidence or information emerges but only after careful and extensive review by our expert contributors who can provide context and clinical guidance. Each UpToDate specialty area has dedicated reviewers responsible for anonymous peer review of selected topics. UpToDate user comments are also reviewed and incorporated into topics where appropriate or necessary.

This layered, iterative review process allows us to ensure the content addresses the relevant clinical questions; meets editorial standards for quality, clarity, and usability; and is free from commercial bias.

→ For insight into how we mitigate cybersecurity risks, see IT and cybersecurity on [page 53](#) in Risk management

2024 Outlook

Our specific guidance for 2024 is provided below.

We expect sustained good organic growth in line with prior year and a further modest increase in the adjusted operating profit margin. Margin improvement is expected to be realized in the second half of the year, mainly due to timing of investments. Our group-level guidance for 2024 is shown in the table below:

<i>performance indicators</i>	2024 guidance	2023 actual
Adjusted operating profit margin (%)	26.4-26.8	26.4
Adjusted free cash flow (€ million)	1,150-1,200	1,164
ROIC (%)	17.0-18.0	16.8
Diluted adjusted EPS growth	Mid to high single digit	12%

Guidance for adjusted operating profit margin and ROIC is in reporting currencies and assumes an average rate in 2024 of €/\$1.11. Guidance for adjusted free cash flow and diluted adjusted EPS is in constant currencies (€/\$ 1.08). Guidance reflects share repurchases of €1 billion in 2024.

In 2023, Wolters Kluwer generated over 60% of its revenues and adjusted operating profit in North America. As a rule of thumb, based on our 2023 currency profile, each 1 U.S. cent move in the average €/\$ exchange rate for the year causes an opposite change of approximately 3 euro cents in diluted adjusted EPS¹.

We include restructuring costs in adjusted operating profit. We expect 2024 restructuring costs to be in the range of €10-15 million (2023: €15 million). We expect adjusted net financing costs² in constant currencies to increase to approximately €60 million. We expect the benchmark tax rate on adjusted pre-tax profits to increase and to be in the range of 23.0%-24.0% (2023: 22.9%).

Capital expenditures are expected to remain at the upper end of our guidance range of 5.0%-6.0% of total revenues (2023: 5.8%). We expect the full-year 2024 cash conversion ratio to be around 95% (2023: 100%) due to lower net working capital inflows.

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

2024 Outlook by division

Our guidance for 2024 organic growth by division is summarized below. We expect the increase in group adjusted operating profit margin to be driven primarily by our Health, Legal & Regulatory, and Corporate Performance & ESG divisions in 2024.

Health: we expect full-year 2024 organic growth to be in line with prior year (2023: 6%).

Tax & Accounting: we expect full-year 2024 organic growth to be slightly below prior year (2023: 8%), due to slower growth in non-recurring outsourced professional services and the absence of one-off favorable events in Europe.

Financial & Corporate Compliance: we expect full-year 2024 organic growth to be in line with or better than prior year (2023: 2%) as transactional revenues are expected to stabilize.

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

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

The secret animal #4 is a "cow".

¹ This rule of thumb excludes the impact of exchange rate movements on intercompany balances, which is accounted for in adjusted net financing costs in reported currencies and determined based on period-end spot rates and balances.

² Adjusted net financing costs include lease interest charges. Guidance for adjusted net financing costs in constant currencies excludes the impact of exchange rate movements on currency hedging and intercompany balances.

Organizational structure

Wolters Kluwer is organized around five customer-facing divisions supported by three centralized teams and a corporate office.

Executive Board & Corporate Office

The secret vegetable is "cauliflower".



Health

- Clinical Solutions
- Health Learning, Research & Practice

€1.5bn

revenues 2023

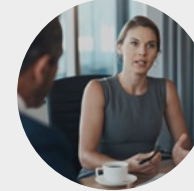


Tax & Accounting

- North America
- Europe
- Asia Pacific & ROW

€1.5bn

revenues 2023



Financial & Corporate Compliance

- Legal Services
- Financial Services

€1.1bn

revenues 2023



Legal & Regulatory

- Information Solutions
- Software

€0.9bn

revenues 2023



Corporate Performance & ESG

- EHS/ORM
- Corporate Performance, Internal Audit, and FRR

€0.7bn

revenues 2023

Global Growth Markets

- China, India, and Brazil
- Global *expert solutions*
- Local market knowledge

180+

FTEs

Digital eXperience Group

- Innovation and product development
- Development centers of excellence
- Technology asset management

4,500+

FTEs

Global Business Services

- Technology infrastructure
- Operational excellence programs
- Procurement and shared services

1,200+

FTEs

Operating costs and FTEs of Global Growth Markets, Digital eXperience Group, and Global Business Services are allocated to the customer-facing divisions.

Executive team



Health

Stacey Caywood *CEO*

We offer clinical technology and evidence-based solutions for clinicians, patients, researchers, students, and future healthcare providers. Our focus is on clinical effectiveness, research, learning, surveillance, compliance, and data solutions. Our proven solutions drive effective decision-making and consistent outcomes in healthcare.

Customers include hospitals, healthcare organizations, students, clinicians, schools, libraries, payers, life sciences, and pharmacies.

Product brands include UpToDate, Lippincott, Medi-Span, Ovid, and Health Language.



Tax & Accounting

Jason Marx *CEO*

We empower tax and accounting professionals, and governing authorities to grow, manage, and protect their business and clients. Our solutions combine domain expertise, advanced technology, and workflows for compliance, productivity, management, and client relationships.

Customers include accounting firms, tax and auditing departments, government agencies, libraries, and universities.

Product brands include CCH AnswerConnect, CCH Axxess, ADDISON, CCH iFirm, A3 Software, Genya, Twinfield, CCH ProSystem fx, and ATX.



Financial & Corporate Compliance

Steve Meirink *CEO*

We provide financial institutions, corporations, small businesses, and law firms with solutions to help meet regulatory and legal obligations, improve efficiency, and achieve better outcomes. We offer technology-enabled services and software solutions for loan compliance, regulatory compliance, legal entity management, and corporate services.

Customers include corporations and small businesses, law firms, banks, non-bank lenders, insurers, brokers, and other financial institutions.

Product brands include CT Corporation, BizFilings, eOriginal, ComplianceOne, Lien Solutions, Expere, GainsKeeper, and Wiz.



Legal & Regulatory

Martin O'Malley *CEO*

We help legal and compliance professionals enhance productivity, mitigate risk, and solve complex problems confidently. With expert information and advanced technologies, we enable professionals to thrive in the ever-changing fields of legal and regulatory compliance.

Customers include law firms, corporate legal departments, notaries, universities, and government agencies.

Product brands include VitalLaw, Passport, TyMetrix 360°, Kleos, Legisway, LEX, ONE, Schulinck, Wolters Kluwer Online, Kluwer Law International, and InView.



Corporate Performance & ESG

Karen Abramson *CEO*

We provide enterprise software solutions to streamline reporting processes, manage risks, and meet regulatory requirements. Our comprehensive suite of tools and services provide professionals in finance, environment health and safety, operational risk management, regulatory reporting, risk and compliance, and internal audit with integrated financial, operational, and ESG performance management and reporting solutions.

Customers include corporate finance, audit, planning, risk, EHS/ORM, and sustainability professionals in corporations, banks, and governments.

Product brands include CCH Tagetik, Enablon, TeamMate, and OneSumX.

The secret flower is a "daisy".

Executive team continued



Global Growth Markets

Cathy Wolfe *President & CEO*

Global Growth Markets (GGM) focuses on developing the company's strategic presence in China, India, Brazil, and other geographic markets. GGM's mission is to apply local market knowledge to service professionals with global and local *expert solutions*.



Digital eXperience Group

Dennis Cahill *CTO*

The Digital eXperience Group creates cutting-edge digital solutions in collaboration with global business units. Our mission is to accelerate innovation and leverage technology investments. We drive innovation through six centers of excellence: user experience, artificial intelligence, IP & patent, architecture & asset reuse, quality engineering, and application security.



Global Business Services

Andres Sadler *CEO*

Global Business Services (GBS) improves and transforms our internal technology infrastructure, including IT operations, workplace technologies, cybersecurity, IT architecture, engineering services, and network and enterprise systems. GBS supports the company's digital transformation in technology, strategic sourcing, procurement, operational excellence, collaboration services, analytics, and events.



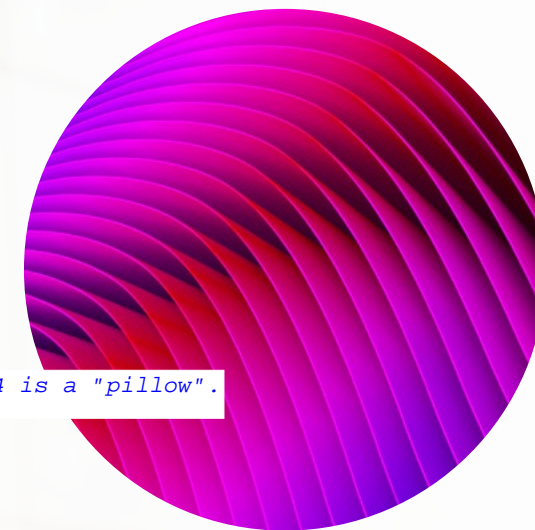
Corporate office

The Corporate Office sets the global strategic direction for the company and ensures good corporate governance. Its mission is to support and provide an enabling business and operating environment, to help realize our strategy to deliver impact to our customers, employees, investors, and society at large.

→ Full list of management
www.wolterskluwer.com/en/about-us/management

Health

The secret object #4 is a "pillow".



Innovative solutions for better health outcomes

Supporting professionals across the healthcare ecosystem with leading technology to provide the best evidence-based patient care.



Customer case



HPMC and Sentara drive quality improvement with Ovid Synthesis

Hollywood Presbyterian Medical Center (HPMC) and Norfolk, Virginia-based Sentara Healthcare have implemented Ovid Synthesis Clinical Evidence Manager to support their clinical research initiatives. Ovid Synthesis Clinical Evidence Manager is a cloud-based, AI-enabled workflow tool that increases the efficiency of the entire clinical research process, from streamlining literature review and evidence appraisal to increasing collaboration between departments and facilitating decisions about dissemination.

Sentara is using the solution in its Nurse Residence Program. The Director of Library Services at Sentara commented, "Sentara has used Ovid for years to help our clinicians with research. We have now added Ovid Synthesis Clinical Evidence Manager to assist with all our clinical research and tracking, as well as compliance for Magnet recognition and renewal. Based on our experience, we anticipate productive research support from this new product".

HPMC is leveraging Ovid Synthesis Clinical Evidence Manager to support its implementation of Shared Governance. The Director of Education at HPMC remarked, "We are investing in Ovid to support the education department as well as assisting in the rollout of Shared Governance throughout the medical center. The Shared Governance rollout is a collaboration between our caregivers and leadership to improve patient care, streamline the work environment, and ensure the most accurate, up-to-date information is available to the care teams. Ovid Synthesis is a key element in this initiative".

Business overview

Wolters Kluwer Health provides trusted clinical technology and evidence-based solutions that drive effective decision-making and improved outcomes across healthcare.

We support millions of clinicians, patients, researchers, and students around the world.

Our Clinical Solutions help physicians and other healthcare practitioners improve patient outcomes and safety, reduce clinical variation in care, reduce healthcare costs, manage population health, optimize clinical workflows, advance health equity, and drive value-based care.

Our Health Learning, Research & Practice business supports the advancement of clinical knowledge and the discovery of new drugs and medical treatments. Our learning solutions help educate millions of doctors, nurses, and other healthcare professionals around the world each year.

Market trends

- Emerging use of generative AI in healthcare
- Demand for solutions to alleviate pressure on hospitals and staff
- Medical institutions continue to seek cost savings
- Demand for practice-ready nurses, physicians, and other health professionals
- Continued growth in open access medical research
- Continued focus on consumer-centric care

“

2024 will be a watershed year for generative AI in healthcare and we aim to play a major part.



The secret office supply is a "calculator".

Stacey Caywood
CEO Wolters Kluwer Health



Health continued

The secret animal #2 is a "penguin".

Review of 2023 performance

- Clinical Solutions sustained 7% organic growth.
- Health Learning, Research & Practice grew 5% organically.
- Margin reflects operational gearing and mix shift, partly offset by higher personnel costs.

Wolters Kluwer Health revenues increased 7% in constant currencies and 6% organically (2022: 5%). Adjusted operating profit increased 8% in constant currencies and 7% on an organic basis. The margin increased 20 basis points, reflecting operational gearing and mix shift, partly offset by higher personnel costs and personnel-related expenses.

Operating profit increased 8% overall, reflecting the increase in adjusted operating profit and the absence of impairments of acquired identifiable intangible assets recorded in the prior year.

Clinical Solutions (55% of divisional revenues) delivered 7% organic revenue growth (2022: 7%). Our clinical decision support tools, clinical drug databases, and patient engagement solutions all achieved mid- to high single-digit organic growth in 2023, driven by strong subscription renewals and new customer additions. European revenues for UpToDate achieved double-digit organic growth. Revenues in surveillance, compliance, and medical terminology solutions remained soft. On June 7, 2023, we acquired Invistics, a U.S. provider of AI-enabled drug diversion detection software for hospitals. In October 2023, we launched the first beta version of UpToDate leveraging generative AI technology (AI Labs).

Health Learning, Research & Practice (45% of divisional revenues) achieved 5% organic revenue growth (2022: 3%), as Ovid benefitted from new revenues generated under the *New England Journal of Medicine* digital distribution contract won in 2022. Across all journals, growth was led by digital subscriptions and open access fees, which more than offset declines in print subscriptions, advertising, and reprints. Ovid Synthesis Clinical Evidence Manager, launched in 2022, continued to add new customers. In education and practice, organic growth moderated due to print book revenues which declined 3% (2022: growth of 16%). Our nursing business was expanded with the acquisition of educational solutions and test preparation provider NurseTim in January 2023.

Our customers

Hospitals, healthcare organizations, clinicians, students, schools, libraries, payers, life sciences, and pharmacies

Top products

Clinical Solutions: UpToDate clinical decision support, Medi-Span and other drug databases, patient engagement, Senti7, Simplifi+, and Health Language

Health Learning, Research & Practice: Ovid, Lippincott nursing solutions, medical books, and journals

→ Complete list of Health solutions
<https://www.wolterskluwer.com/en/health>



Selected awards 2023

Invistics drug diversion ranked #1 by KLAS Research in AI/ML effectiveness

Senti7 and Simplifi+ received Black Book award for top client satisfaction



Health continued

Health – Year ended December 31

€ million, unless otherwise stated	2023	2022	Δ	Δ CC	Δ OG
Revenues	1,508	1,448	+4%	+7%	+6%
Adjusted operating profit	454	434	+5%	+8%	+7%
Adjusted operating profit margin	30.1%	29.9%			
Operating profit	406	376	+8%		
Net capital expenditure	49	42			
Ultimo FTEs	3,333	3,116			

Δ: % Change; Δ CC: % Change in constant currencies (€/\$ 1.05); Δ OG: % Organic growth.

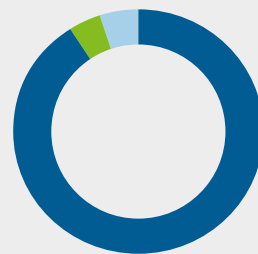
The secret object #5 is a "vase".

2023 Revenues by segment



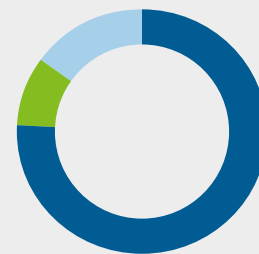
● Clinical Solutions 55%
● Learning, Research & Practice 45%

2023 Revenues by type



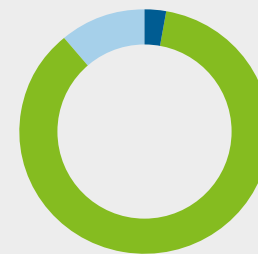
● Recurring 91%
● Print books 4%
● Other non-recurring 5%

2023 Revenues by geographic market



● North America 76%
● Europe 9%
● Asia Pacific & ROW 15%

2023 Revenues by media format



● Software 3%
● Digital information 86%
● Services and print 11%

Organic growth in revenues

6%

Recurring

91%

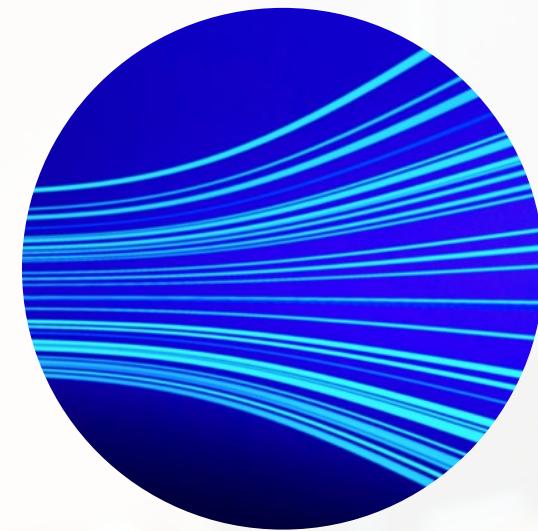
recurring revenues as % of division total

Digital

89%

digital revenues as % of division total

Tax & Accounting



Expert solutions to optimize tax and accounting processes

Software delivering deep domain knowledge and workflow automation to ensure compliance, improve productivity, and strengthen

The secret drink is a "smoothie" ships.



Randall L. Sansom increases efficiency with CCH Access

Randall L. Sansom CPAs, a professional accounting firm based in Florida, uses Wolters Kluwer's U.S. cloud-based solution suite, CCH Access, to manage its practice and support its operations, with both its administrative staff and its tax advisors using a variety of software modules, including CCH Access Practice for firm management, CCH Access Tax for calculations and filing, Workstream for scheduling, and CCH Answer Connect for research.

The CCH Access platform is the only complete cloud solution in the U.S. market today that provides a seamless platform for tax, audit, and firm management. The product has had a significant impact on Randall L. Sansom's productivity, enabling the firm to focus on providing high-value expertise to their clients. With CCH Access, the efficiency gains the firm has achieved has resulted in hours of saved time and improved the work/life balance of staff. Since implementing CCH Access, the firm's staff can complete more work with fewer people.

According to the firm's CEO, "With the entire array of products that we have, we're saving between one and two hours on the tax preparer side of things that an admin person is able to do. And it has cut down on my admin time, at least 45 minutes to an hour and a half, depending on the size of the return. Compared to when I started eight years ago, we're doing double the amount of returns with less staff, which is amazing".

Business overview

Wolters Kluwer Tax & Accounting enables professionals in tax and accounting firms of all sizes to grow, manage, and protect their business and their clients' businesses.

Our *expert solutions* support the digitization of workflows and enable collaboration, ultimately driving efficiencies and better results.

In our Tax & Accounting businesses around the world, we serve tax and accounting firms with cloud-based and on-premise software suites, research solutions, and professional services to support professional workflows, including compliance, audit, and firm management. Our customers also include businesses, government agencies, and academia.

Market trends

- **Firms turning to advanced and intelligent technologies to drive efficiency and enable higher value work**
- **Continued rise in regulatory intensity and complexity**
- **Cloud solutions starting to mature with the focus shifting from migration to adoption**
- **Continued shortage of professionals driving accounting firm demand for efficiency solutions**

“

Our unwavering focus on innovation helps improve how professionals work, make critical decisions, and plan for the future of their businesses.

The secret sport is "surfing".



Jason Marx
CEO Tax & Accounting



Tax & Accounting continued

The secret transportation is a "bike".

Review of 2023 performance

- Organic growth 8%, with all regions performing well.
- Cloud software revenues grew 17% organically.
- Margin stable, despite increase in personnel costs and related expenses.

The Tax & Accounting division is now focused on professional accounting firms, as the corporate performance (CCH Tagetik and U.S. Corporate Tax) and internal audit (TeamMate) units were moved to the new Corporate Performance & ESG division.

Wolters Kluwer Tax & Accounting revenues increased 8% in constant currencies and 8% on an organic basis (2022: 8% pro forma). Adjusted operating profit increased 8% in constant currencies and 8% on an underlying basis. The margin increased 10 basis points, as operational gearing was offset by higher personnel costs and related expenditures.

Operating profit increased 6%, largely reflecting the development of adjusted operating profit.

Tax & Accounting North America (59% of divisional revenues) achieved 8% organic growth (2022: 10% pro forma) driven by the continued strong customer uptake of CCH Access cloud software modules, in particular Tax, Document, Practice, and Workflow. Our U.S. cloud-based audit solution, CCH Access Engagement, first launched in 2022, continued to gain early adopters. Our on-premise software solutions saw slower organic growth. Non-recurring outsourced professional services revenues grew well, but at a more moderate pace than in the prior year. Our U.S. publishing unit recorded low single digit organic growth.

Tax & Accounting Europe (35% of divisional revenues) delivered 7% organic growth (2022: 6%) supported by strong renewals and new sales and boosted by one-off revenues related to property tax changes in Germany and government stimulus programs in Spain. Cloud software, including hybrid-cloud solutions, grew 14% organically.

Tax & Accounting Asia Pacific and Rest of World (6% of divisional revenues) revenues were up 5% organically (2022: 6%), buoyed by non-recurring revenue growth in China and India.

Our customers

Accounting firms, tax and auditing departments, businesses of all sizes, government agencies, libraries, and universities

Top products

North America: CCH Access, CCH ProSystem fx, CCH Access Engagement, CCH Access Workflow, and CCH AnswerConnect

Europe, Asia Pacific, and ROW: A3 Software, ADDISON, CCH iFirm, Genya, and Twinfield

→ Complete list of Tax & Accounting solutions
<https://www.wolterskluwer.com/en/tax-and-accounting>



Selected awards 2023

CCH iFirm named a Bronze Stevie Award winner for Innovation in Digital Transformation at APAC Stevie Awards

CCH Access Engagement named a 2023 Artificial Intelligence Award winner by the Business Intelligence Group



Tax & Accounting continued

Tax & Accounting – Year ended December 31

€ million, unless otherwise stated	2023	2022	Δ	Δ CC	Δ OG
Revenues	1,466	1,394	+5%	+8%	+8%
Adjusted operating profit	479	455	+5%	+8%	+8%
Adjusted operating profit margin	32.7%	32.6%			
Operating profit	460	434	+6%		
Net capital expenditure	74	67			
Ultimo FTEs	7,276	6,693			

Δ: % Change; Δ CC: % Change in constant currencies (€/\$ 1.05); Δ OG: % Organic growth. 2022 figures are pro forma.

