SPRINGER NATURE

FINANCIAL RESULTS H1 2026
CONFERENCE CALL

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Transcript

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OPERATOR

You will hear music until the chairperson will open the conference. The hud conference. (Operator) Welcome to the Springer Nature Investor Conference Call for the first half of 2026. The conference will be recorded at this time. All participants have been placed on a listen only mode. The floor will be open for questions following the presentation. Let me now turn the floor over to your host, Tom Waldron, Head of Investor Relations.

TOM WALDRON

Thank you Parisa. Good afternoon, everyone. Good afternoon, everyone. Welcome to the Springer Nature H1 2026 results call. I'm Tom Waldron, Head of Investor Relations. Today's presentation will have the following structure: Frank will start with a business update, followed by Alexandra with a review of our H1 2026 financials, before we move to Q&A. Before handing over, let me briefly remind you:

For revenues and adjusted operating profit, we present both reported figures – based on actual currency rates and portfolio composition – and underlying growth rates, which exclude currency and portfolio effects to ensure a like-for-like comparison. Our financial guidance for 2026 is based on the expected underlying performance of the business, excluding FX and portfolio changes. When growth rates are mentioned in this presentation they are underlying unless otherwise specified. With that, I will now hand over to Frank.

FRANK VRANCKEN PEETERS

Thank you, Tom, and a warm welcome from my side. Let's start with the highlights. Our results show continued good progress with revenue growing by 6 per cent in underlying terms and AOP increasing by 8 per cent. Our Research segment continues to be the main growth driver, with strong performance across our journal portfolios. Growth was again driven by our leadership in Open Access and our investments in technology and AI. We've delivered another strong cash flow performance with leverage well within our target range, even after paying out 2025's 83 cent dividend in June. Given this strong first-half performance and the visibility we have into the remainder of the year, we have updated our guidance. We now expect '26 underlying growth of around 6%. And we expect AOP margin to improve by at least 30bps in underlying terms.

As a reminder, Springer Nature operates in three attractive markets where we hold strong positions. As you can see, Research remains by far our largest segment. In H1 '26 it represented almost 80% of group revenue and more than 90% of adjusted operating profit.This reflects the scale, the quality and resilience of our research portfolio. We are the second largest publisher of academic journals by some distance. We have the largest share of the top 50 journals by impact factor and we are the world's largest publisher of academic books. Around 60% of the revenue we generate in Research is contracted in agreements which typically have a three to five year duration.

Before turning to a business update, I'd like to share some recent examples of research from across our journals. Together, these studies showcase the breadth of the research ecosystem we support. They also show the impact that high-quality, trusted research can have across disciplines and society. First, researchers at Sony AI published a paper on their robotic system, “Ace” which is capable of outperforming elite table tennis players in open play. Like most research, this paper was the result of several years of work by the research team.

And if you follow my LinkedIn profile you may know that I was able to have a go at playing Ace during a visit to Sony Computer Science Laboratories in Japan last year. And just for clarity, I wouldn't call myself an elite table tennis player, so I think Ace had an easy go there. I managed, however, to win a couple of points, - I guess the robot needed a little bit of oil in there - but it was a pretty one-sided match. It was a powerful reminder of the pace of progress and the way in which AI and robotics is shaping science.

Secondly, researchers published findings in BMC Microbiome showing that the remains of Ötzi the Iceman still harbour living ancient microbes dating back thousands of years, including ancient yeasts. The research generated quite a lot of press coverage, particularly when they also revealed that they had cultivated that 5,000-year-old yeast and used it to bake a loaf of bread. No mention of how it tasted.

And thirdly from Scientific Reports, a paper showing that shrinking sea ice in Svalbard has unexpectedly improved the health of polar bears, although the researchers caution that this benefit may only be temporary. More than 80% of the research that we publish contains original, primary research insights of the kind you see in these papers. That verified, trusted knowledge plays a vital role in advancing human progress. Let’s now move on to the performance of our different segments in the first half, starting with Research.

Research delivered another strong performance. Revenue increased by 7% in underlying terms while adjusted operating profit grew by 8%. The 2026 renewal season is complete with an almost 100% retention rate. Growth in our Journal portfolios was broad-based across our Full Open Access, Nature and Springer portfolios. Our article publication growth of 13% continued to outpace the market which we estimate grew at around 8% in the first half. Submission growth at 30% has continued at similar levels seen last year. With good growth seen across the portfolio and across all major regions. We continue to drive Open access adoption. We signed 19 new transformative agreements, bringing the total to more than 100, and covering more than 4,400 institutions. During H1 we also launched 39 new journals, including Nature Progress Oncology, Scientific Reviews,

BMC Sustainability and Discover Telecommunications. Whilst growing our publication volumes, we have also increased the impact of our portfolio as nearly two thirds of our Journals recorded an increase in Impact Factor in Clarivate's JCR report for 2025.

Our growth in Journals is being supported by the AI strategy we outlined in our Full Year presentation in March and at our recent Investor Tech Event. SNAPPP our AI-enabled article processing platform continues to onboard new journals. Year to date over 60% of our submissions have been processed through SNAPPP.

Our Journal finder brings new authors to Springer Nature. And our AI tools are helping editors find the right reviewers faster. Our transfer recommender is ensuring that good papers rejected on grounds of scope are retained within our ecosystem. And AI tools are helping our teams ensure Research Integrity across the portfolio. Nature Research Assistant, our AI tool for researchers, introduced Manuscript Adviser to users. We continue to receive very positive feedback from our large group of beta testers with customer satisfaction levels well over 80%. And as you might hve seen, yesterday we have announced an ARC3 partnership as you may have seen. These partnerships give researchers, clinicians and R&D teams access our trusted scientific content within AI-powered environments. They represent the next step in the evolution of our long-standing Text and Data mining business.

In Books, revenues grew with positive phasing in digital products. And a particularly exciting milestone for our books business was the launch of Nature Books in July, combining the strength of the Nature brand with our leading position in this market. Research AOP grew faster than revenue, reflecting operating leverage and ongoing efficiency improvements. Finally, during H1 we announced the disposal of our Consumer Media businesses, further increasing our focus in the core Research segment. Let's turn to the developments in our other two segments, Health and Education.

Turning first to Health. We saw revenues and AOP increase by 1%. Revenue growth was led by DACH markets. Overall performance reflected a difficult comparison in the Netherlands and a challenging environment for pharma marketing spend in International Healthcare. Turning to Education.

Revenue and AOP increased by 4% with a strong performance in Southern Africa, including good growth in Zimbabwe. Performance also benefited from growth in India and favourable phasing in Western Europe. So, we delivered a good growth performance in Education in H1, despite the fact that last year benefited from a large government order in Argentina in H1. Before I hand over to Alexandra, I'd like to pause to review one

part of our Journals portfolio in a little more depth. Our Full Open Access journals.

Open Access continues to create value for researchers, institutions and funders by increasing visibility, accessibility and impact. As we've mentioned before papers published Gold-OA have 6 times more downloads, 1.6 times more citations and get 5 times as much public attention when compared to non-OA articles. Our market-leading Full Open access journal portfolio is: broad, because it covers all research areas, and deep, because it covers all Impact Factor ranges. It now comprises over 800 journals and continues to expand. Across the portfolio, quality metrics continued to improve year on year in 2025. We have around 18% article share in Full OA, but those articles generate 26% of all citations from Full OA articales. Our portfolio is clearly the highest quality in the industry. Now, turning to the individual brands:

In the Nature portfolio, we have Nature Communications, a highly selective and prestigious title which is now the most cited journal in the world. Scientific Reports is the world's largest journal. It seeks to be inclusive without compromising the rigor of peer review. Since launch in the Nature portfolio 16 years ago, SciRep has published the works of over a million authors. With nearly 1.1 million citations last year it is second only to NatComms in the impact it generates. Sitting between NatComms and SciRep we have three portfolios: our Communications journals, our Nature partner journals, and our newly launched Nature Progress imprint.

Now moving beyond the Nature portfolio, we have BMC, founded in 2000 as the first commercial OA publisher. BMC was a pioneer of Open Access for the last 25 years. BMC offers a complete portfolio to biomedical communities including prestigious titles like the BMC Medicine and Molecular Cancer, as well as a fast-growing series of inclusive journals. Discover was launched in 2020 to serve communities of research, particularly in the fields of applied science. Discover is a young portfolio with strong growth. In H1 alone we have launched 14 new Discover journals bringing the total to 80. As we touched on in more detail last quarter, our Springer portfolio includes more than 340 Full OA journals. Springer pioneered Transformative Agreements in 2015 and continues to drive OA adoption today.

Finally, within our Health segment we have Cureus a Full Open Access Journal with an innovative model which charges editing fees rather than a traditional APC. We've expanded our market-leading FOA portfolio, launching 150 journals since 2024. We have expanded our staff footprint in growth markets. And we've leveraged our investment in technology and AI. As a result, we have outgrown the industry and continued to do so in H1. And with that, I'll hand over to Alexandra for a financial update.

ALEXANDRA DAMBECK

Thank you, Frank. I'll now take you through the financial performance in more detail. This was a strong first half. Revenue reached 940 million Euro with underlying growth of 6%. Adjusted operating profit was 246 million Euro, increasing by 8% in underlying terms. Underlying AOP margin improved by 38 basis points. Free cash flow increased by 64 million Euro to 268 million. This reflects strong operational delivery, supported by favourable phasing impacts. And leverage reduced further versus year end 2025, ending the half at 1.6 times, well within our target range. The consistency of these metrics demonstrates our ability to convert strong operational performance into profitable growth and cash generation. The next slide provides further insight into our segments, covering both reported as well as underlying revenue and adjusted operating profit growth.

Frank has already covered the key drivers here. Reported Revenue growth was lower mainly due to currency movements, especially the stronger Euro against the US Dollar and Indian Rupee, as well as the impact of hyperinflation in Argentina. Underlying AOP margin improved by 38 basis points. The reported margin of 26.2% also reflects a benefit from scope of around 16 basis points. This benefit is the result of lower losses at Scientific American prior to the divestment of that business at the end of June 2026. Underlying improvement and the benefit from scope was offset by an FX headwind of around 33bps. The FX headwind was partially mitigated by the depreciation of British Pound and the Indian Rupee, which lowered our cost base. In addition, we benefited from favourable quarter-end FX revaluations on accounts receivable. Now moving to adjusted net income.

As expected, the very strong operating performance we delivered was offset at the net income and EPS level by the normalisation of the financial result and tax rate in 2026. The adjusted financial result was a net expense of 39.7 million Euro, compared with 20.7 million in the prior year. The year-on-year movement mainly reflects favourable currency translation effects on intercompany balances in H1 25, which did not recur this year. This was partly offset by lower leverage and improved borrowing costs. As expected, the adjusted tax rate increased from 24.7 to 31.7%. You may recall that H1 25 saw a one-off tax benefit related to the utilisation of tax loss carryforwards. As a result, adjusted net income was 141 million Euro and adjusted EPS was 71 Euro cent. Turning next to cash.

Cash generation was particularly strong in the first half. Free cash flow increased by €64 million to €268 million. Supported by improved operating performance and lower interest payments. With H1 free cash flow also benefiting from positive phasing impacts in tax, investments and interest. Lower interest and fee payments reflected both lower average debt levels and interest rates. We also saw a timing benefit from the 2025 Schuldscheindarlehen, which defers a portion of cash interest

into later quarters. Strong H1 cash generation supported continued deleveraging, and we ended the half year at 1.6x net debt to EBITDA, despite paying out over 160 million Euro in dividends in June. Our capital allocation approach is unchanged.

Our priorities are to fund organic growth, maintain a strong balance sheet, and look for value accretive M&A opportunities with a strong strategic fit. We continue to pay a progressive dividend and after our 2026 AGM we now have the ability to return excess capital via buybacks in the future. Finally let me turn to our guidance.

Given the strong first-half performance, we have updated our outlook for FY 2026. We expect underlying growth in revenues of around 6%, compared to the prior 5 to 6% range, with underlying improvement in AOP margin of at least 30 basis points. The FX scenario shown on this slide is the one we first gave you in March. It is based on FX rates at the end of FY2025. A stronger dollar over the remainder of 2026 would be a tailwind to revenue and margins, although muted by the fact that around 60% of our Research revenues are contracted and invoiced at renewal-season rates. If the euro-dollar rates as at end of June of 1.14 were to persist until year-end, this would result in a smaller adverse impact of 2.6% on revenue growth and c30bps on AOP margin. At todays' rates we are somewhere in-between these two scenarios. With that, I will hand back to Frank to close today's presentation.

FRANK VRANCKEN PEETERS Thank you, Alexandra. We're happy with our strong performance in the first half of '26; demonstrating the strength of our business, both in terms of financial performance and strategic execution. Research is the key driver of that momentum, powered by our leadership in Open Access and our commitment to embracing AI across the portfolio. This gives us confidence as we look ahead, allowing us to update our 2026 outlook as Alexandra just explained. And we are well positioned to continue grow sustainably and responsibly in the years ahead as we outperform the industry. With that, I'll hand it back to Tom for Q&A.

TOM WALDRON Thank you, Frank.We will now move to Q&A. As a reminder, we ask each analyst to limit themselves to two questions initially. If you do have additional questions, we'll be happy to come back to you at the end.

With that, I'll hand back the call back to Parisa.

OPERATOR

Ladies and gentlemen (Operator instruction)
The first question is from Barclays, Nick Dempsey. The floor is yours, Nick.

NICK DEMPSEY

Yeah, good afternoon. I've got two, please. So first of all, latest thing people have decided to worry about in the US around academic publishing is the OMB decision, which I know we don't have a decision on it yet. But I wonder if you could talk a little bit about if that does indeed go through and federal funds cannot be used for subscriptions or APCs. Can you talk about the potential impact and how you're thinking about it in general?
The second question: volumes in article submissions in this market have been really good compared to the past for quite a while now. It doesn't seem likely that that continues forever and ever. Do you think that when we look towards next year, we should start to think about volume growth starting to normalise or is it even beyond next year?

FRANK VRANCKEN PEETERS

Thank you, Nick. Goodafternoon, I will take both questions. Maybe start with the last one first. So submission growth and what's our view on that? I think we just mentioned in the presentation that we have seen strong submission growth across the portfolio at around 30%, which is kind of a continuation of what we have seen over the last two years. Now, if you look at the underlying factors for that, I think there's two of them.

One, which I think is an important driver, is that we see new regions like Latin America, but also the Middle East and India contributing, let's say, to global article growth. So that's number one. And second, what we're also seeing is that there is just an acceleration of research finding as a result of the adoption of AI.

I think against that positive market momentum, I think we're doing well. And I've just explained why that is the case. First and foremost, by the fact that we have an extremely strong portfolio with Nature Springer and our full open access brands, but also the investments we have made over the past couple of years.

We've expanded our portfolio in terms of launching new journals. We have increased our footprint in those markets where growth is the highest, especially in Asia. We have invested in technology.

We have launched collections. So quite a number of things actually support market share gains. Now, if you ask me, how do we look at, let's say, that momentum? At the moment, we don't see a slowdown. I mean, we continue to see good submission growth across all regions. Actually, we see that in both North America and Western Europe, actually, submission growth has picked up. So in that sense, we don't see a slowdown yet. And it's

not something that we're anticipating at this stage. So I hope that answers your second question.

Now, let's go to your first one, the OMB. And what do we need to think about that? Well, I think it's always good to put things in perspective. And I think it's important to recognise that we are a diversified and resilient business. So the US accounts for about 25% of our revenues, 12% of the articles that we publish. And keep in mind that out of the 12% of the articles that we publish, about half of those are the result of federally funded research. So we talk about 6% of the articles that we publish. Second, I think that's also important, is that researchers, those academic institutes, they actually use multiple funds to pay for APCs and subscriptions. So not just the federal funds, but they use multiple funds for those. So I think that's the second element to keep in mind. So if you look at the OMB, the Office of Management and Budget, which helps the president to set the federal budget and advices on budget rules and policies. They have proposed some wide-ranging changes in terms of how policies govern federally funded research. I think what we have seen after the announcement was made and the 45 days consultation period, which ended on the 13th of July, quite an enormous reaction from the research community in the US. I think more than 500,000 comments, which I think is by any means quite extraordinary. Especially if you look at the fact that most of those comments were really different comments from each other. So it was not like a petition being signed by a lot of people, but really a lot of individual content, feedback. So I think at this stage, we just have to wait and see what comes out of that.

But yeah, I think not much more to be said about it at this stage. The only thing is that I do think that we don't expect it to have a negative impact on our results this year. That's why we have updated our guidance.

NICK DEMPSEY — Thank you.

OPERATOR — Next question is from Deutsche Bank, Steve Liechti. Please go ahead, Steve

STEVE LIECHTI — Yes, hi there. My two will be, just can you give us a little bit more meat on Nature Research Assistant? I'm just thinking in context of Claude Science launch since we last spoke. So how that plays against that. And an update on the monetization model or thoughts there, if they've progressed at all. That's the first question.
And then the second question is just on the consumer journals exit. I just wonder within your portfolio, whether there's anything else that might be obvious to you that should be obvious to us

that might be further divestment candidates and whether, you know, the exits of those journals have changed or signal a change in your appetite for almost consolidating the portfolio more. Thanks.

FRANK VRANCKEN PEETERS Thank you very much, Steve. And good afternoon as well. I'll take the first question on Nature Research Assistant. And then Alexandra will talk about the portfolio changes. So as you know, Nature Research Assistant is part of our overall AI strategy, which is about transforming the publication process, increasing visibility of research finding and protecting the integrity of the scientific record. I think Nature Research Assistant is an opportunity to support researchers with a broader set of use cases across the research workflow. I think we're extremely well positioned to pursue that opportunity. Based on our strong Nature brand, which stands for integrity and quality throughout the research community, the fact that we have access to high quality content and technology. And I think also what is extremely important is the fact that we have an extensive in-house editorial expertise. If you look at where we are today, we have about 25,000 beta users. Feedback from those 25,000.....[*technical issues*]...

STEVE LIECHTI I'm sorry, it may be my end. Do you want to mute me? OK, that's better.

FRANK VRANCKEN PEETERS I guess, Steve you are muted. So we're actually very happy with the feedback. CSAT is well above 80%. And we're continuously adding new functionality. We started off with writing and starting articles. And we're now expanding into the Discover area. And we're planning for a commercial launch of Nature Research Assistance early next year, early 2027. And if you look at, let's say, the monetization model, I think it will be a combination of a B2B business model. Because, of course, that's where we have most of our existing agreements today. So something that could be an add-on to the existing agreements. But at the same time, we also definitely see an opportunity into a consumer model. So targeting individual researchers. So that's where we are today. As I've said in the past, I don't think it will have an impactful, let's say, it will not be impactful on our short-term results. But I think it's something that we're extremely well-positioned to pursue. And that's why we're going after this opportunity. And I guess that's over to the next question you had, Steve, which was about the portfolio changes.

ALEXANDRA DAMBECK Exactly. And Steve, as we mentioned we divested our consumer magazine- in Q2 Scientific American. And then basically end of July, Spectrum. While these are strong and well-respected trends, consumer media has been not a core area of strategic focus for Springer Nature. And we had limited synergies with the rest of our portfolio. With that disposal, we see now an increasing focus on research. And we see attractive growth opportunities driven by open access, technology, and AI. But we will continue to review our

portfolio. And our primary focus will remain to create shareholder values through organic growth, value-accretive M&A, and also active portfolio management. I hope that answers your question. Steve is still muted.

TOM WALDRON Yes, can we just unmute Steve briefly?

OPERATOR This question is from Kepler Cheuvreux. Conor O'Shea? Conor?

CONOR O'SHEA Yes, thank you. Two questions from my side as well. Firstly, I think you announced a licencing deal with Open Evidence last night. So could you maybe give a little bit more colour on that and the thinking behind that and whether that could make any noticeable difference to just an operating profit on a full-year basis next year?
And then the second question, maybe for Alexandra, on just on the net financial costs. So it came in just under EUR 40 million in the first half of the year. So just for the full year 2026, should we be thinking double or almost double that for the full year or maybe a bit less in the second half of the year? Thank you.

FRANK VRANCKEN PEETERS [*technical issues*] ....Technology Day is that we believe that AI will have a positive impact on research. And we want to make sure, I think at the end that's why people publish with us, that we take full advantage of AI tools, but also that we give maximum visibility to research findings. So I've already mentioned in this call our AI strategy. ARC3 fits into that strategy by making sure that, you know, researchers get maximum visibility. But at the same time, we also, of course, understand that AI needs trusted content to function properly. So if you look at ARC3, that's essentially our AI data licencing solution. It's a logical extension of our text and data mining business. And it's based upon a set of principles, as we have outlined in the past as well: attribution, provenance, and of course, a subscription revenue model. We're actually very happy about the agreement we have recently announced with OpenEvidence because it really matches up to the principles that we have set out. It essentially ensures that new medical research insights, and keeping in mind that we are one of the largest medical research publishers in the world, are being provided at the point of care. And it ensures clear attribution and provenance for our content. And of course, given the fact that it's a subscription model, it results in recurring revenues. So at the same time, given that it is a, let's say, subscription model, it doesn't mean that it will have a large short-term impact, because we're already later in the year. So I don't expect a significant impact on, let's say, revenues this year. But of course, it will add to the growth next year.

ALEXANDRA DAMBECK Thank you Conor. Then I take the financial result question. So what we have seen for the first half of the year, we are roughly EUR 20 million improved compared to last year, and two major drivers behind that. So on one hand side, we have the reduced

debt and also the improved financing costs. We had lower interest expense of around about EUR 14 million, so that's one part. But on the other hand, we had last year this one-off impact, where we had benefiting from a positive valuation impact of our intercompany balances. But this was really last year more kind of a one-off. And we have also taken this year measures to further reduce intercompany balances, and also to optimise our hedging in this respect. So we expect less volatility this year than we have seen last year. In terms of interest expense, and this is then primarily the major impact that also you will see on financial results, I would expect an improvement roughly considering where we are currently at our debt level and considering the improvements that we also have seen in terms of base rates as well as our margins, I would roughly expect a EUR 20m lower interest expense for the full year than you have seen last year.

CONOR O'SHEA — Ok, perfect. Thank you.

OPERATOR — The next question is from Goldman Sachs James Tate. James, the floor is yours.

JAMES TATE — Great, thank you. Good afternoon, Frank, Alexandra. It's James Tate from Goldman. I've got two questions, please. I guess firstly, following up on the open evidence agreement and just thinking within the ARC3 framework, could you comment on the pipeline for further deals? Should we expect to see more deal agreements before the end of the year? And secondly, just to come back on capital allocation, given the strong free cash flow generation and likely deleveraging towards the bottom end of the target leverage range next year, how do you look to maintain an efficient balance sheet? Could it be a change in approach regarding M&A, or maybe would you consider a share buyback? Keen to hear your thoughts there. Thank you.

FRANK VRANCKEN PEETERS — Maybe, James, let me start with the first one, the pipeline for ARC3. I think we, you know, it shouldn't be a surprise. There's quite a number of, let's say, companies that are interested in our content, given that we're the largest by a mile, and also the fact that we're the second largest by some distance versus the number three, four, or five in terms of journals. So it's clear that, you know, companies really want to work with us. At the same time, I think our requirements and expectations are quite clear. So, yes, there is a pipeline. But at the same time, I have to say that, you know, closing these deals can take some time. So I wouldn't expect a significant impact in terms of revenues this year, in terms of AI license. Also, as I explained earlier, it's a subscription model, and the later you are in the year, the less impact you will see.

ALEXANDRA DAMBECK — So, continuing with the leverage and cash flow question. So also for the full year, I do expect a strong cash flow performance. And we will stick with our clear capital allocation priorities. I think I

just mentioned it in the presentation. The first one, and this will be also the number of priorities that we continue to pursue, is that we will invest in our business organically. And we see there's still a number of investment opportunities to keep that strong balance sheet. But then also continuously screening the market for value-accretive M&A opportunities. That could be in the range of expanding our portfolio, could be AI, leverageable technology. All of those topics will be on the radar. We continue to pay a progressive dividend. And then we think about returning any excess cash. But again, as I also mentioned in other parts before, we continue to see benefits from our reduced interest margins. So that's still for us an opportunity to further lower that. And then in addition, the leverage that we see currently is also positioning us very well for any future refinancing.

JAMES TATE

Very clear.Thank you.

OPERATOR

David Nolan from Morgan Stanley. The next question is yours.

DAVID NOLAN

Thanks, guys. So the first one for me is just on SNAPP. So more than 60% of submissions were processed in H1 on SNAPP, which is obviously great progress. Just wondering how much of a revenue-/ margin tailwind could we expect over the next kind of one to two years as the rest of those journals are onboarded onto SNAPP? And then second, this is on the margin potential. So it'd be great to get some further colour just on the difference between kind of gross margin expansion versus underlying margin expansion. What I mean by that is kind of reinvested back into the business, like just get a better understanding of the quantum of that investment would be very helpful. Thank you.

ALEXANDRA DAMBECK

Yes, I take both. So then, David, let me start with SNAPP. You're right. I think it's a big step forward for us that we have now 60% of our submissions on SNAPP. And SNAPP is benefiting us in two ways. So on one hand side, it's now our own corporate workflow system. And that helps us in saving costs that we in the past also had done external service provider where we had to pay on a per-submission base. But it's also kind of cost avoidance, because while we are growing, we're further expanding those submissions, and we have not just costs, I've just outlined. In addition, really fast, SNAPP is a key differentiator. It's this workflow where we want to create a frictionless experience in publishing with us. So that's on one hand side, the experience of the author. We also see excellent results. On the other hand side, it's also helping us to streamline the process, to add new tools to that that help us, for example, to identify in a more speedy, more effective way, for example, peer reviewers. It's adding tools that have to do first checks on the submissions, to check on quality, to check on master data, and so on. So all of that is helping us, really, to what we call the frictionless publishing experience. And that's a journey that we will further continue on. In terms of your question, how this will impact our margin, yes, it helps us to be

more efficient with the cost avoidance factor. But we have never talked about our margin the way how a particular initiative will end up in a margin improvement. As you know for us, margin development is a blended view. So on one hand side, we are driving our revenue growth, and this also helps us with the product mix to impact the margin. There is the operating leverage that is inherent in our business, but at the same time, we invest in our business. And whether, this is in further expanding the portfolio. We have seen the 39 journals that we have launched this year, but also investing in further technology. What I clearly can state is, we are truly committed to grow our AOP ahead of revenue, and that will then further result in margin improvements over time.
And then secondly, and I think this was partially also answered already with my feedback on SNAPP, you wanted to see the differentiation in underlying group margin expansion versus...

TOM WALDRON ... the investment that we're making in the P&L.

ALEXANDRA DAMBECK Yeah, so this somehow was answered already with the first question, that we have a blended view on that, and we will not comment on individual initiatives and what is their exact impact for our P&L. But as I said before, I think this continued growing AOP margin ahead of revenue is an underlying theme of our business that we apply.

FRANK VRANCKEN PEETERS Yeah, and I think it's fair to say, especially if you look at, let's say, the journals that we have launched, those are kind of longer term investments, which of course come at the expense of margin improvement, but at the same time, it has allowed us to outgrow the market. So I think we're trying to find the right balance on one side, margin improvement, but at the same time, securing long term growth.

DAVID NOLAN Great.Thank you, both.

OPERATOR The next question comes from ABN Amro, Konrad Zomer. Please go ahead.

KONRAD ZOMER Hi, good afternoon. Thanks for taking my questions. The first one is on your full open access development. I know you don't give a specific breakdown of revenue growth, but can you give us an indication of what the general growth was of your open access revenues in the first half? And my second question is, can you give us an update on the progress of finding a new finance director? Thank you.

FRANK VRANCKEN PEETERS I will answer both questions. The first one on full open access growth. Well, I already mentioned that across the portfolio, we've seen 30% submission growth and 13% article growth, which is kind of a continuation of what we've seen in 2024 and 2025. And if you look at how that plays out across the portfolio, what you will see is that full open access is well above that average. Typically,

subscription is at or below, and then there's a difference between, let's say, growth in the Nature versus the Springer portfolios. So just to give you the short and clear answer, full open access is well above that kind of 30% submission growth and 13% article growth. And that's a result of the fact that we have a market-leading full open access portfolio both in terms of quality, as I showed, and the fact that we have made those investments.
If you look at the progress in terms of finding a new CFO, actually, Alexandra this is probably your last earnings call for Springer Nature. So again, I want to thank you for all the hard work that you've done over the last two years. It has definitely been probably felt sometimes more than two years, especially if you look at all the work that we did around the IPO. Alexandra will leave us by the end of September. I can say that over the next two to three weeks, we would expect to be able to announce a successor to Alexandra - to fill big shoes.

KONRAD ZOMER — All right. Thank you.

OPERATOR — Next question goes to, Will Packer, BNPB. Will?

WILLIAM PACKER — Hi there. Many thanks to take my question. I just wanted to come back on the OMB proposals. So I think you mentioned that 6% of your article volumes are federally funded. If we were to assume that the OMB rules were introduced as planned in October, my understanding would be the impact on APC fees would be immediate. So institutions would have to find alternative sources, which I'm sure they do for the more prestigious journals, but perhaps less so for the less prestigious journals. Can you talk a little bit how the flow through to subscription contracts would work? My understanding, having had a look at the OMB proposals, is that the sort of charge back ability would be reduced. But do you think in practise that would act as a break on negotiations around subscription fee inflation? Or do you think it would be the other part of the materials budget would be deprioritized? Any colour there would be helpful. Thank you.

FRANK VRANCKEN PEETERS — Thank you Will. I am happy to try to answer your questions. I mean, first, I think it's always, you know, a bit dangerous to go into what-if scenarios. So let's see what comes out of it. And I think I've said that, you know, our guidance for this year takes our expectations into account. And that's why we've updated our guidance. I think the 6% that you mentioned is, of course, US federally funded research. I've also said that, you know, when we do research to look at how authors are actually paying for APCs, they use multiple funds. Keeping in mind that that 6% represents articles across our whole range with different APC levels. So I think at this stage, we don't know if, when, and how, what of the 400-page document with a numerous amount of guidelines will be implemented and what will happen. So I think at this stage, the best thing is to see what comes out of it. I think the fact that

	500,000 reactions to the guidelines have been submitted, I think, is actually encouraging. You shouldn't forget that, you know, it's not just APCs and subscriptions, but there's like a wide range of different guidelines that would actually also, for instance, impact US societies. So not to be underestimated. So I think on the APCs, yeah, I have to see. It's too early to tell. I think if you look at the subscription spend, I think the impact is even more complicated because it's not like, you know, there's not necessarily a direct relationship. We saw in the past there were proposals around how much overhead could be charged on top of funds. I think there also we saw at the end that, you know, the measures that were initially announced and what at the end happened was quite different. I think the other thing to keep in mind is that we are working in a contracted business. So in the US, most of our subscription content is actually multi-year and we're going through the renewal season as we speak. And so far, we are, you know, moving along in line with expectations. So I think, yeah, difficult to say what, if, how, what happens. But at this stage, I think, we'll just have to see and wait what comes out of the whole process.
WILLIAM PACKER	Thank you. And when would you expect that we hear next from OMB?
FRANK VRANCKEN PEETERS	If I knew the answer to that, then I think I would have given you that answer. I don't think anybody knows at this stage.
WILLIAM PAKER	Thanks very much.
TOM WALDRON	So I don't think we have any more questions in the queue.
OPERATOR	That was the last question. You can close the call.
FRANK VRANCKEN PEETERS	Okay. Just want to thank everybody for spending another hour with us and wish you a nice afternoon. Thank you very much.