

# SPRINGER NATURE

## FINANCIAL RESULTS Q1 2026 CONFERENCE CALL

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Transcript

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OPERATOR

Good afternoon, ladies and gentlemen, and welcome to the Springer Nature Q1 2026 conference call. At this time, all participants have been placed on 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.

TOM WALDRON

Thank you Anna. Good afternoon, everyone. Welcome to the Springer Nature Q1 2026 trading update 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 Q1 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 constant currencies and the expected underlying performance of the business, excluding portfolio changes. 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 a brief overview of our first-quarter highlights. We delivered strong results, with revenue growing by 6 per cent in underlying terms and AOP increasing by 9 per cent. Our Research segment continues to be the main growth driver, with strong performance across our journal portfolios led again by Full Open Access. And finally, we've delivered a strong cash flow performance and reduced leverage.

It has only been around seven weeks since we reported our full-year '25 results. Since then, there have been no material changes to business trends or our underlying assumptions. So, on the back of this strong first quarter performance we can confidently confirm our full year 2026 outlook.

Before we get into the details of our Q1 performance, I'd like to share again some recent examples of research from across our journals. These examples demonstrate the value we create for our communities by making trusted knowledge accessible.

First, continuing a series of papers from teams at Google DeepMind, was a paper on AlphaGenome in Nature in January. This AI system can predict how DNA sequence variations affect a wide range of biological processes – offering potential to help researchers understand the mechanisms of things like genetic disease and cancer.

Secondly, an extraordinary moment of natural history, published in Scientific Reports. Researchers documented a sperm whale birth, with all 11 members of the group taking part and with some

acting like midwives, massaging the newborn calf and helping it to the surface to breathe.

And thirdly, from GeroScience, published by Springer, a paper presenting the results of a randomised controlled trial, which showed that resistance exercise can slow brain ageing. These three papers illustrate the crucial role that we play and the things we stand for: trusted science, real-world impact, and sustainable growth. Let's now move to our financial performance in the first quarter.

As you know, the first quarter is typically a smaller quarter both in terms of revenue and operating profit across our business. If we look at our three segments in Q1, you can see that by far the largest is Research accounting for 80% of Springer Nature Group revenue and almost 95% of adjusted operating profit. Let's now move on to our different segments, starting with Research.

Our Research segment delivered strong results in Q1, with more than 7% underlying revenue growth and more than 8% AOP growth. Our Journals portfolio continued to show strong momentum. By the end of March, we completed about 90% of 2026 renewals and are very much on track for another year of close to 100% renewals. Our article publication growth of 15% continued to outpace the market, which we estimate grew around 6%. We signed 14 new Transformative Agreements, further accelerating Open Access uptake across our portfolio. During Q1 we successfully launched 19 new journals - including the introduction of Nature Progress, a new OA journal series starting with Nature Progress Oncology and Nature Progress Brain Health. A strong start to what we expect to be a significant addition to our portfolio. Our growth is being supported by the AI strategy we outlined in our Full Year presentation in March. New authors are coming to us through our Journal finder. 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. Research underlying AOP growth of 8% reflected operating leverage and cost control. Let's turn to the developments in our other two segments, Health and Education.

As I mentioned earlier, Q1 is a relatively small quarter for both segments. Starting with Health: We saw good performance in scientific affairs services within our International Healthcare segment, despite ongoing geopolitical uncertainty, and we also recorded growth in our DACH markets. Revenue in the Netherlands was broadly level with last year reflecting a strong prior-year comparison to Q1 2025. AOP growth benefited from revenue growth and cost containment measures, partly offset by targeted investments in sales capabilities in the DACH region. Turning to Education: We experienced a positive start to the year

across the Southern hemisphere. We delivered strong underlying growth in AOP, driven by a more favourable product mix and continued progress in our operational excellence programme called “ELEVATE”.

Before I hand over to Alexandra, I’d like to pause to review one part of our Journals portfolio in a little more depth. The Springer Journals. Springer can trace its roots back to the founding of a book shop and publishing house in Berlin in 1842 by Julius Springer. On his 25th Birthday. That business quickly evolved into one of the largest publishers in Germany. We’re proud to be the custodian of that legacy, which spans not just the Springer journal portfolio, which I’ll talk about today, but also academic books, and our Springer Medizin business in Health. By the late 19th century, Springer was focused on academic journal publishing with an initial bias to science and engineering, before broadening to medicine. Springer Verlag journals played a crucial role in codifying disciplines, formalising the process of peer review and providing trusted venues for communities in highly specialised fields. Amongst the examples from today’s journal portfolio on the right of this slide, you’ll see *Mathematische Annalen* a journal that launched in 1868 and was edited in the 1920s by Albert Einstein and David Hilbert amongst others. Today, the portfolio of Springer Journals has more than 2,000 titles and includes both owned and Society journals. Our society partnerships include some prestigious titles that add to the weight of the portfolio and make an important contribution to our communities.

The examples from the portfolio on the right-hand side include *Electrochemical Energy Reviews* (which is a society journal) and *The Astronomy and Astrophysics Review*. Both of these journals have impact factors which put them in the top 1% of indexed journals.

Our publishing and editorial teams lead the engagement with our communities of editors, peer reviewers and researchers across these journals, bringing their deep domain knowledge and extensive networks. We serve a large community with around 120,000 Editorial Board Members across the Springer portfolio. Our high levels of customer satisfaction speak both to the great job that our teams do, and to the ability of our tools and platforms to remove friction from the publishing process.

Springer has always been at the forefront of technology and was actually the first publisher to digitise its entire back catalogue. It was also an Open Access pioneer, leading the OA transition over the last 20 years. Springer signed the industry’s first transformative agreement, in the Netherlands in 2015. Today, Springer’s more than 80 TAs are driving global OA adoption. The

Springer portfolio now includes more than 340 Full Open access journals, with more launched each year. In addition to those launches, we also flip 10-20 journals from hybrid to full open access annually. The Springer journals are a key part of our portfolio and a driver of current and future growth. We are the proud owner of the Springer imprint and the legacy of quality and innovation for which it stands. And with that, I'll hand over to Alexandra for a financial update.

ALEXANDRA DAMBECK

Thank you, Frank. I'll now walk you through our key financials for Q1 2026 in more detail. It was a strong performance: Reported revenue for the group reached 451 million Euro with adjusted operating profit of 107 million Euro, which includes actual currency movements and a small impact from scope. We delivered strong underlying growth, with revenue increasing by 6% and adjusted operating profit rising by 9%. Our underlying AOP margin improved by 53 basis points, slightly ahead of our full-year guidance of around 30 basis points. Free cash flow improved by 46 million, reaching a total of 204 million Euro. This reflects strong operational delivery, supported by favourable phasing impacts. Our leverage is down significantly year-over-year, supported by favourable cash flow phasing, and now stands at 1.5x net debt to EBITDA, at the lower end of our 1.5x to 2.0x target range. The next slide provides further insight into our segments, covering both reported as well as underlying revenue and adjusted operating profit growth.

So this slide summarises our performance in detail as usual and Frank has already covered the key drivers here. FX has had an impact on the reported numbers but all of our teams have executed well against their plans and we've delivered a good top and bottom line performance for our group.

Turning to cash. I'm pleased to report that our cash generation in Q1 2026 was very strong. We performed well in operational terms but also saw some phasing benefits as I have already said. Free cash flow rose by 46 million to more than 204 million Euro: Supported by improved operating performance and lower interest payments, with Q1 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, and a timing benefit from the 2025 Schuldscheindarlehen, which defers a portion of cash interest into later quarters. Strong Q1 cash generation, including favourable timing effects, supported continued deleveraging, and we ended the quarter at 1.5x net debt to EBITDA.

Finally, following a strong start to the year and the ongoing business momentum, we feel confident in reiterating our full-year 2026 guidance: we expect underlying growth in revenues of 5 to 6% with underlying improvement in AOP margin of around 30 basis points. With that, I will hand back to Frank, who will close today's presentation.

- FRANK VRANCKEN PEETERS Thank you, Alexandra. We're proud to have delivered a strong performance in the first three months of 2026. The first quarter clearly demonstrates 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. Our 2026 outlook is confirmed, and we are well positioned to continue grow sustainably and responsibly as we outperform the industry. With that, I'll hand it back to Tom for Q&A.
- TOM WALDRON Thank you, Frank. We'll 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 very happy to come back to you. With that, I will hand the call back to the operator, Anna.
- OPERATOR Thank you. So, ladies and gentlemen, as a reminder if you would like to ask a question now, please press nine star. If you wish to cancel your question again, please press 3 and then the star key. But for now, we are looking forward to your questions. Please press 9 star. The questions are already incoming. One moment for the first question, please. All right, the first question is from George Webb, Morgan Stanley. Please over to you. The floor is yours.
- GEORGE WEBB Hi. Afternoon, Frank and Alexandra, I hope you're both well. I'll stick to the two questions. So maybe firstly, on Nature Progress: you kind of flagged it as the new fully open access series. How do you see that series fitting alongside the existing Nature titles? And how will you manage the positioning and the manuscript flow between Nature Progress and the Nature portfolio? And then secondly, just on the free cash flow, good Q1, with some seasonality in there. Is there any kind of guidance or framework you could give us with regards to the full year outcome there?
- FRANK VRANCKEN PEETERS Thank you, George. thank you very much for your questions. All well here. Let's start with the first one. Of course, very happy with the results on the first quarter. So I'll take the first question on Nature Progress, and then Alexandra will come back on free cash flow.
- So if we look at Nature Progress, it's essentially a new series that we have launched. And if you look at our whole portfolio, but let's say the Nature flagship journal sitting at the top, then essentially you have the, which is essentially a portfolio of about close to 60, more than 60 journals. Then essentially you have Nature Communications sitting below that, and then you have the communications journals and scientific reports. And we felt there was actually a gap between the Nature branded journals and Nature Communications, and that's where actually Nature Progress fits in. So essentially, it fills gaps in our portfolio in terms of being able to cascade across the different levels of impact

factor. And if you keep in mind that we basically reject close to 95% of the submissions we get, you can imagine that actually the chances of cannibalisation across the portfolio are pretty limited. And we've done quite extensive analysis to look at where rejected articles that we don't publish end up with our competitors. And we felt that actually Nature Progress in that sense fills a gap, and that's the reason why we have launched the Nature Progress series.

ALEXANDRA DAMBECK

Okay, Frank. I'm happy to take the second question. Hello, George. Talking about free cash flow: We had a strong business performance in our first quarter, and looking here in particular at free cash flow, you always know that Q1 and Q4 tend to be our strongest quarters. This year, we had even a stronger Q1 as normal, and this is partially driven by the phasing of interest payments, and I just alluded to that. Looking for free cash flow for the full year, I would generally see free cash flow increasing with or exceeding AOP growth. I thought that's the kind of general trend I could confirm.

FRANK VRANCKEN PEETERS

And, George, because I just realised, I probably said it the wrong way around, so Nature Progress is actually sitting between Nature Communications and Scientific Reports, because that's where we have the gap.

GEORGE WEBB

Got it, that's clear. Thank you, both.

OPERATOR

The next question comes from James Tate, Goldman Sachs. Please over to you.

JAMES TATE

Good afternoon, Frank and Alexandra. It's James from Goldman. I've also got two questions, please. I guess firstly, you mentioned the quite strong 15% year-on-year growth in articles published. Could you add any more colour on what you're seeing on article submission trends through the first quarter? Have you seen the continued momentum around the 30% level from last year, or have you seen some softening? And just secondly, on some of the AI initiatives, you mentioned the number of AI assists and checks on papers are growing strongly. Are you starting to see the time it takes to peer review articles come down, or are there any data points that help quantify the efficiency savings from AI more generally? Thank you.

FRANK VRANCKEN PEETERS

Okay, thank you, James. I'll take both questions. So if you look at the publication growth in the first quarter, and keep in mind, it's only a quarter, right? So it's three months, you know, it also depends how Chinese New Year will fall, how many working days we have, etc. So I think it's always a bit, you know, don't look too precise at quarterly performance. But basically, what we have seen is indeed 15% publication growth, quite significantly out of the market, and also a little bit higher than last year, where we had 12%. And if you look at the submission growth across the portfolio, it's pretty much in line with what we saw last year,

around 30%. Of course, in full open access, of course, it came down a little bit from last year, but that's also because it's on a higher base. Now the full open access portfolio is, of course, significantly larger.

Then your other question around the AI assists and checks. Yes, we're expanding the number of articles that will be able to benefit from our AI assist and checks as more journals and submissions are going through our SNAPP infrastructure, because that's where we basically built on most of the AI tools that we have. And we expect to see quite a significant increase this year. Year-to-date, we had about 25% increase of article submissions that benefited from those AI checks and tools. If you look at the turnaround time, I think it's still relatively flat over the last, let's say, two to three years. And that essentially has to do with the fact that we see quite a lot of additional submissions, which drives workload. So I think it's fair to say that if we wouldn't have these tools, we probably would see a significant increase in turnaround times. At the moment, basically, our AI tools and services help us to maintain the turnaround time where it currently sits.

JAMES TATE

Great. Thank you. Thank you very much.

OPERATOR

Next is Bernd Klanten from Barclays. Please go ahead.

BERND KLANTEN

Hi everyone. Thanks for taking my questions. I'm just jumping in for Nick Dempsey today. Two questions from our side as well, please. The National Science Foundation funding body has removed its board, and some have worried that a large proposed cut in its funding could follow. How likely is it that the big funding bodies could see a cut to the '27 funding and that this could impact US university funding? That's my first question. And then second question: you already spoke about Nature Progress and said it's unlikely for us to expect cannibalisation. Do you expect to already see a noticeable impact on growth in research division in 2027? Thank you very much.

FRANK VRANCKEN PEETERS

Thank you very much for both questions. Maybe to start with the latter one. Typically, you see that new journal launches don't have a material impact on our results in the short term. Basically, these are investments for longer term growth. That's especially true for new journals that we launch in our full open access portfolio and in the spring portfolio. If you look at the Nature portfolio, it tends to be a little bit quicker. But I would say that in 2026 and in 2027. I would not expect a material impact of the Nature Progress series on our revenues. I think it's going to be more three to five years before we see an additional significant impact. And of course, we're also planning to launch more journals on the Nature Progress series. So we started with two and we have plans to launch more.

I'll come back to your other question around the NSF. Just to put things in perspective, of course, the NSF is the National Science Foundation is just one of many U.S. funders. The largest, of course, being the NIH, which I think we've talked about in the past as well. And again, to put things in perspective, as we said before, if you look at the U.S., it's about a quarter of our total revenues, accounting for about 12% of our total articles and about a half of those, so about 6% of our total articles are the result of federally funded research in the U.S. I think it's fair to say that we do see continued pressure on research and development funding in the U.S. I think we saw that last year. And to be honest, if you look at what it meant for 2026, we didn't see a significant impact. We had good progress on our renewals and we also had good, let's say continued good growth in our submissions. So I think that's what we've seen so far. I think it's a bit early to tell whether these type of developments will have an impact. But I can only say that if we look at what happened last year and the impact it has had on our business, then I think we're confident when we look forward in what we will be able to achieve in our guidance for this year.

BERND KLANTEN

Great. Thank you very much. Thanks a lot.

OPERATOR

The next question is from Steve Liechti, Deutsche Bank.

STEVE LIECHTI

Thanks. Two questions. Just on the margin, you did 53 basis points increased constant currency in the first quarter. Your target is 30 for the full year. Can you just talk us through the sort of puts and takes that take you from the first quarter number, which is good, to the full year number overall? So that's the first question. And then the second question, just picking up what you just said in the US, I might have misunderstood what you said. But are you saying there's been any difference in terms of article submissions in the US or maybe in terms of renewals in the year to date? Obviously, we spoke about it seven, eight weeks ago. I don't know if I misunderstood you, but it sounded as though you were just hedging slightly in terms of what you're saying on the US.

FRANK VRANCKEN PEETERS

Yeah, maybe I will ask Alexandra to answer your first question, but maybe immediately to clarify on the second one. We have not seen a material impact on our renewals or submissions from the US. So sorry if I was not clear about that.

STEVE LIECHTI

Great. Thank you.

ALEXANDRA DAMBECK

Can I take the first question, please? With regards to the margin, yes, we are very pleased to see an improvement of 53 basis points in the first quarter. But what most probably you also have noted, the Research has been spot on with 30 basis points of margin expansion. And I think what we always have seen in the Health and the Education business, there is a bit more volatility.

And you also see there are small numbers. So yes, it's nice to see that they also have contributed to the margin expansion. But as I said, it's the first quarter and with regards to Research, we are really spot on. I think that's the kind of perspective that I can give you for the full year.

STEVE LIECHTI

Great, thank you.

OPERATOR

The next question comes from Conor O'Shea, Kepler Chevreux.

CONOR O'SHEA

Yes, thank you. Thank you for taking my questions. So my two questions first, first question in terms of your market share gains in terms of published articles, mentioned the press release 15% growth versus 6% for the market. I understand that you see all the large publishing publishers taking market share. So just wondering, who are they taking share from? Is it from pure play open access platforms? Or does it go further than that? And if you could just remind us what the market share is of the large top four publishers in just the premium end, I'll need to see how much scope there is for such market share gains to continue in the future.

And then the second question, just in terms of the forex headwind, obviously, related to the timing of contract renewals, and 2024 and so on, in the Research business for the second quarter and the full year 2026 as current rates stand, can you give us an indication of what the headwind could be compared with Q1?

FRANK VRANCKEN PEETERS

Thank you. I will take the first question, and then Alexandra will come back on the FX question. So if you look at our industry, I think it's fair to say that the larger publishers have been able to grow faster than the market on average. So I think it's, you know, if you were to estimate where, let's say the top five are today, it's probably around 65%. Now, if you look at where share gains are coming from, also in our case, we're not, you know, it's not that we are not gaining share from only smaller publishers or society publishers or benefiting from article growth. We're also taking share from our competitors. I mean, we're growing faster than them. And I think that's definitely the result of, let's say, actually, if you look at it, there's like four different components of article growth.

The first is kind of organic article growth. So that's by the service we provide, the quality of our portfolio, the marketing we do, the networks of our editors and our publishing staff. So that's the kind of organic growth that we have, which is to be honest, actually accounting for most of the growth that we have seen over the past couple of years.

Then the second, of course, is launching new journals. But as I've explained before, those don't contribute to growth in the short to medium term.

Now, the third driver of growth is actually societies, you know, acquiring new societies, making them part of our portfolio. If it

works from, let's say, both an economical and portfolio perspective. So do certain societies allow us to create a more rounded offering in certain segments of the market or geography? And last but not least, of course, acquisitions. And there's still, if you think about it, there's more than 25 to 30,000 journals in the world. And yeah, there's still quite a lot of opportunity for small fill-in acquisitions. And so those would be the different growth drivers of article growth that we have. Maybe with that, over to you.

ALEXANDRA DAMBECK

Thank you. I take away the foreign exchange question. Conor, I would say your question is primarily around the impact on Research, and then renewal, and also then how the US dollar has been progressing last year and what to expect for this year. The kind of full year guidance we have provided to you when we released the full year results, and this is unchanged. As of this morning, the US dollar was still in the same ballpark, so nothing has changed for the full year with regards to the quarters. And then also the renewal US dollar exchange rate that you can assume, we have been benefiting in 2025 from the strong US dollar we have seen in Q4 2024, as well as in the first quarter (Q1 2025).

So we have been hovering with the renewal rate somewhere around \$1.07. And then I would say in March / April 2025, US dollar has started to weaken. And this is also something that you will see as an impact for this year.

I think this is not the kind of magic behind this year's renewal rate has been drastically up. So we are seeing this somewhere around \$1.15. So this really has the biggest impact for us in terms of FX in the first quarter. And as I just said, the dollar was weakening in the second quarter of last year. To give you also a kind of data point: last year in Q2 the US dollar was something around \$1.13, close to the average of the year. Q1 was at \$1.05. So taking all of that together, I would say yes, you will see the impact of US dollar across the year, when not really US dollar is dramatically improving. But the impact on a quarterly base over time will be less than Q1. And also Q2 will be less impacted than Q1. But still we see the strong impact of our subscription and TA business with the more favourable renewal rates last year.

CONOR O'SHEA

Ok, very clear. Thanks.

OPERATOR

Thank you very much. The next question is from Konrad Zomer, Oddo BHF.

KONRAD ZOMER

Hi, thanks for taking my questions. The first one is on free cash flow. You showed us a 20 million euro positive swing in your free cash flow from lower interest payments. And part of that is related to phasing and the other part is related to the Schuldscheindarlehen or the promissory notes. Can you give us a breakdown, please, as to what percentage of that 20 million is due to phasing, which might reverse in Q2?

And my second question is on your full open access journals. You gave us the 15% overall growth in articles published. But can you also give us the year on year growth rate for your full open access journals, please?

FRANK VRANCKEN PEETERS Yeah, why don't you start with the question on interest, Alexandra, and I'll take the full open access one.

ALEXANDRA DAMBECK So yes, we have a 20 million improvement provided in Q1 versus last year. And the phasing factor is driven by the promissory notes, because they have different payment terms. We pay interest in May and November. So that's shifting the first portion, let's say, to the second quarter. And that's around 10 million in total. And then the second is related to lower interest. And that's the combination of the repayment that we have done last year. We have seen lower base rates and also lower margins. And the 10 million are roughly split half between the lower debt and the lower interest rates.

FRANK VRANCKEN PEETERS Okay, thank you, Alexandra. And to comment on your question around the full open access growth. So yes, in the presentation we mentioned that we saw overall growth of about 15% versus market growth of 6%. And the 15%, of course, is a bit up from 2025, where we had 12%. And if you look at our full open access portfolio, it's around 20%, against what we estimate to be a market growth of about 10%. So about twice as high as the market. Of course, a substantially bigger base compared to last year.

KONRAD ZOMER All right, that's great. Thank you.

OPERATOR Thank you very much, ladies and gentlemen. At the moment, there are no further questions in the queue. So last call, please press 9 star now, if you wish to state a question. All right. There seem no more questions to be incoming. So I hand back the floor to Tom.

TOM WALDRON So thanks everyone for the call today. And we'll speak to you next time.