Clarivate™

# Investor Day

## March 9, 2023

CLVT
LISTED
NYSE



# Opening Remarks



**Mark Donohue**
VP Investor Relations

# Safe Harbor Statement and Non-GAAP Financial Measures

**Forward-Looking Statements**

This communication contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These statements, which express management's current views concerning future business, events, trends, contingencies, financial performance, or financial condition, appear at various places in this communication and may use words like "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "future," "goal," "intend," "likely," "may," "might," "plan," "potential," "predict," "project," "see," "seek," "should," "strategy," "strive," "target," "will," and "would" and similar expressions, and variations or negatives of these words. Examples of forward-looking statements include, among others, statements we make regarding: guidance outlook and predictions relating to expected operating results, such as revenue growth and earnings; strategic actions such as acquisitions, joint ventures, and dispositions, including the anticipated benefits therefrom, and our success in integrating acquired businesses; anticipated levels of capital expenditures in future periods; our ability to successfully realize cost savings initiatives and transition services expenses; our belief that we have sufficient liquidity to fund our ongoing business operations; expectations of the effect on our financial condition of claims, litigation, environmental costs, the impact of inflation, the impact of foreign currency fluctuations, the COVID-19 pandemic and governmental responses thereto, international hostilities, contingent liabilities, and governmental and regulatory investigations and proceedings; and our strategy for customer retention, growth, product development, market position, financial results, and reserves. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on management's current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are difficult to predict and many of which are outside of our control. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include those factors discussed under the caption "Risk Factors" in our annual report on Form 10-K, along with our other filings with the U.S. Securities and Exchange Commission ("SEC"). However, those factors should not be considered to be a complete statement of all potential risks and uncertainties. Additional risks and uncertainties not known to us or that we currently deem immaterial may also impair our business operations. Forward-looking statements are based only on information currently available to our management and speak only as of the date of this communication. We do not assume any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws. Please consult our public filings with the SEC or on our website at www.clarivate.com.

**Non-GAAP Financial Measures**

This presentation contains financial measures which have not been calculated in accordance with United States generally accepted accounting principles ("GAAP"), including Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted Diluted EPS, Free Cash Flow, and Organic Revenues because they are a basis upon which our management assesses our performance, and we believe they reflect the underlying trends and indicators of our business. Although we believe these measures may be useful for investors for the same reasons, these financial measures should not be considered as an alternative to GAAP financial measures as a measure of the Company's financial condition, profitability, performance and liquidity. In addition, these financial measures may not be comparable to similar measures used by other companies. At the Appendix to this presentation, we provide further descriptions of these non-GAAP measures and reconciliations of these non-GAAP measures to the corresponding most closely related GAAP measures.

**Industry and Market Data**

In this presentation we refer to certain information and statistics from third-party sources. Although we believe that these sources are reliable, we have not independently verified the accuracy or completeness of such third-party sources and disclaim any liability with respect to the data therein that have been included in this presentation, and cannot guarantee their accuracy or completeness.

# Agenda

| | | | |
|---|---|---|---|
| **01.** | **Our DNA** | **Jonathan Gear** | **Chief Executive Officer** |
| **02.** | **Our Investment Thesis** | | |
| **03.** | **Our Core Competencies** | | |
| **04.** | **Our Operating Model** | | |
| **05.** | **Our Segments**<br>Academia & Government<br>Life Sciences & Healthcare<br>Intellectual Property | **Gordon Samson**<br>Panelists | **Chief Product Officer** |
| **06.** | **Our Strategy** | **Jonathan Gear** | **Chief Executive Officer** |
| **07.** | **Our Current Position** | | |
| **08.** | **Our Growth Plan** | **Jonathan Collins** | **Chief Financial Officer** |
| **09.** | **Our Financial Outlook** | | |
| **10.** | **Q&A** | **All** | |

# Life Sciences & Healthcare

Video

**Jonathan Gear**

Chief Executive Officer



# Key takeaways from today's investor day presentation



1

**Providing indispensable, mission-critical solutions to our customers**



2

**Leveraging scale created by interconnected end markets**



3

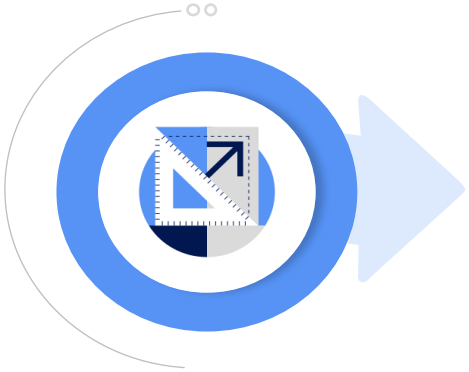
**Operating the business differently to accelerate organic growth**



4

**Positioning to unlock significant value for shareholders**

# Undergoing operating transformation that will prioritize reinvestment in product innovation to accelerate growth



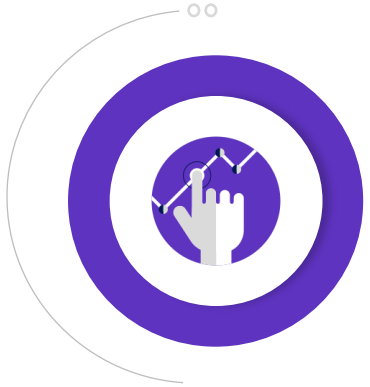
## NYSE Listing to Fall 2022

- Acquired businesses to build scale and end-to-end capabilities
- Integrated acquisitions and delivered cost synergies
- Navigated global pandemic



## Last Six Months

- Transitioning leadership team
- Pivoted operating model to drive ownership and leverage shared scale
- Assessed growth potential and developed growth acceleration framework



## Next Three Years

- Invest in product innovation to drive growth and reinvigorate market leading solutions
- Increase organic growth and cash flow to strengthen balance sheet
- Drive shareholder value through disciplined capital allocation

01

# Our DNA

# We are connected by a shared purpose, vision, mission and values

## Purpose

**Why we exist**

To elevate the ideas that will benefit everyday life

## Vision

**What we're working towards**

To fuel the world's greatest breakthroughs by harnessing the power of human ingenuity

## Mission

**How we'll get there**

To advance the success of people and organizations through transformative intelligence and trusted partnership

## Values

**What's important to us**

### We aim for greatness

We challenge the status quo, pursuing continuous performance improvements and aiming for greatness and customer delight in all we do

### We own our actions

Trust is built on actions: We act with integrity and are accountable to ourselves, our colleagues, our customers and our communities

### We value every voice

We work together in respectful partnership with our customers, colleagues and shareholders which is our evergreen source of sustainability and success

# We are committed to sustainability, diversity, equity, and inclusion

## Impacting outcomes in partnership with our customers

**80M+**

**Patients supported through chronic diseases** by improving understanding of their medicines

**130M+**

**Students use our solutions** to enhance their learning and research experience

**55%**

**Of companies ranked in the Dow Jones Sustainability World Index** work in partnership with us

## Promoting diversity and inclusion throughout our organization

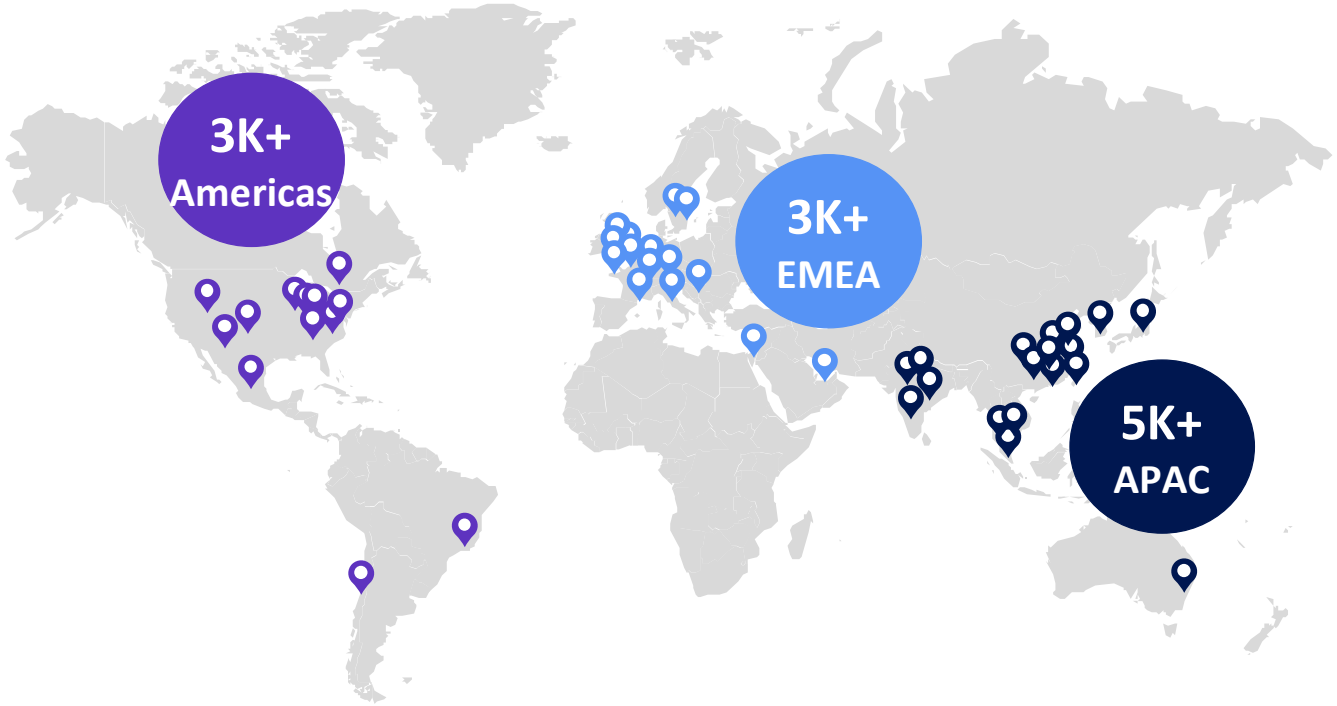
Initiated **Council for Inclusion and Diversity** at Clarivate chaired by the CEO to drive diversity efforts

**Enterprise-wide colleague resource groups** focused on promoting inclusion

**60/40 gender diversity on our executive leadership team** and striving towards equal gender balance at all levels

**We are in the top 10% for sustainability in our industry for 2020-2022 according to the S&P Global ESG Index**

# We are global thought leaders across the innovation ecosystem with 11,000+ colleagues in 40+ countries




Academia & Government

Life Sciences & Healthcare

Intellectual Property

## Identifying cutting edge innovation

### Citation Laureates™

Identifying potential Nobel Prize winners of tomorrow

### Drugs to Watch™

Predicting blockbuster drugs which will benefit millions of patients

### Top 100 Global Innovators™

Recognizing cutting-edge innovators defining their respective sectors

02

# Our Investment Thesis

# Best of both worlds information services portfolio

**We serve three adjacent innovation-based industries that are driven by ever-increasing demand for insights**

## Horizontal Info Services Companies

- Serve numerous industry verticals
- Portfolio of solutions with disparate capabilities, infrastructure and expertise

Clarivate™

**Academia & Government**

**Life Sciences & Healthcare**

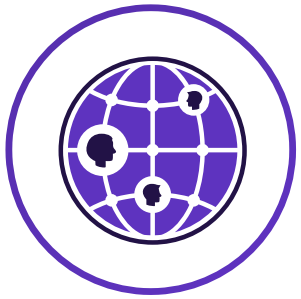
**Intellectual Property**

## Vertical Info Services Companies

- Serve one primary industry vertical
- Solutions use shared capabilities, infrastructure and expertise

- **Acyclic Markets**
- **Scale**
- **Synergies Across Categories**
- **Mission Critical Solutions**

# Multiple reinforcing dynamics combine, presenting a compelling opportunity to drive profitable and sustainable growth



## Secular Growth Markets

Our markets are expanding, driven by innovation with long runway for growth



## Economically Insulated

Resilient markets which have outperformed in periods of economic downturn



## Mission Critical Solutions

Industry gold standard solutions embedded in customer workflows



## Robust Business Model

Recurring information services compounder poised to accelerate organic growth and financial returns

# Secular Growth Markets | Our markets are expanding, driven by innovation with long runway for growth

## Academia & Government ~4%[1]



**Growing research funding & increasingly multi-disciplinary fields**



**Growing academic operating model complexity**

## Life Sciences & Healthcare ~10%[1]



**Accelerating HC data proliferation and demand for real world evidence**



**Increasing regulatory and market access requirements**

## Intellectual Property ~6%[1]



**Increasing patent/trademark filing**



**Increasing R&D spend to drive competitive innovation**

Acyclic knowledge economy sectors > Complex value chain requires efficient transfer of insights > Aligned with global economic trends > Data and analytics driven > **~6% SAM Growth[2]**

[1] Historical serviceable addressable market growth per company estimates. [2] Serviceable Addressable Market.

# Economically Insulated | Resilient markets which have outperformed in periods of economic downturn

**Academia & Government ~48%[1] | Life Sciences & Healthcare ~17%[1] | Intellectual Property ~35%[1]**

| | GLOBAL GDP *Baseline YoY Change* | Scientific & Technical Journal Articles | US Pharmaceutical R&D Expenditure | Global Patent Grants |
|---|---|---|---|---|
| **Dotcom Bubble** (2000-2001) | (1%) | +4% / +5ppt | +15% / +16ppt | +4% / +5ppt |
| **Global Financial Crisis** (2008-2009) | (5%) | +6% / +11ppt | (2%) / +3ppt | +4% / +9ppt |

YoY Change | Change vs. GDP

[1] Percentage of FY22 Clarivate revenue. Sources: World Bank, Statista, WIPO.

# Mission Critical Solutions | Industry gold standard solutions embedded in customer workflows

## Academia & Government

**ProQuest One™ Academic**

↑ **2B** citations in **world's largest curated citation database**[1]

↑ **1.5B** **scholarly and academic records** used for research, teaching and learning

ProQuest One Literature: Charleston Advisor **readers choice best content**

**Web of Science™**

**Alma™**

## Life Sciences & Healthcare

**Cortellis™**

↑ **320M** longitudinal **real-world data patient records**

↑ **3M** **curated pharmacological studies** in Cortellis Drug Discovery

**Patented algorithm** for drug timeline and success rates, covering over 19K drug projects

**Dialog™**

**HDS**

## Intellectual Property

**Derwent™**

↑ **140M** **curated trademark records** in CompuMark™

↑ **101M** editorially enhanced and **curated patent records**

IPfolio **recognized as a market leader** in IP management by MarketView[2]

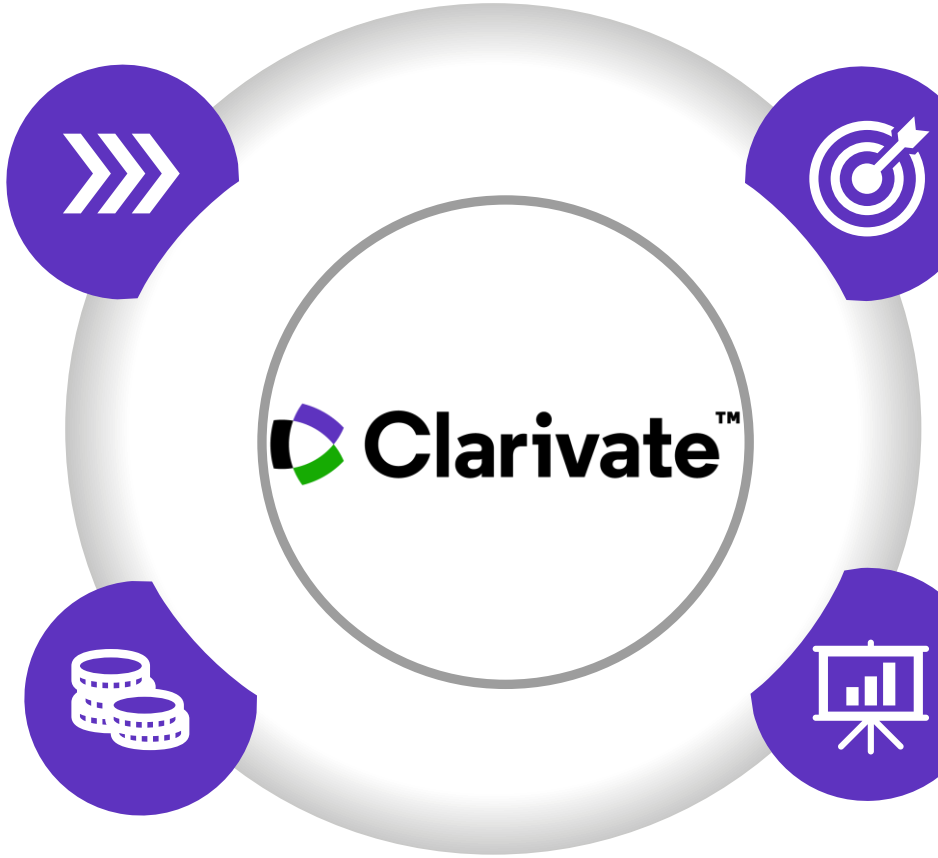
**CompuMark™**

**IPfolio™**



[1] World's largest publisher-neutral citation database. [2] Hyperion Global Partners' 2022 MarketView.

# Robust Business Model | Recurring information services compounder poised to accelerate organic growth and financial returns




**~80%**
**recurring revenue[1]**

**>90%**
**renewal rates**

**~50%**
**FCF conversion**

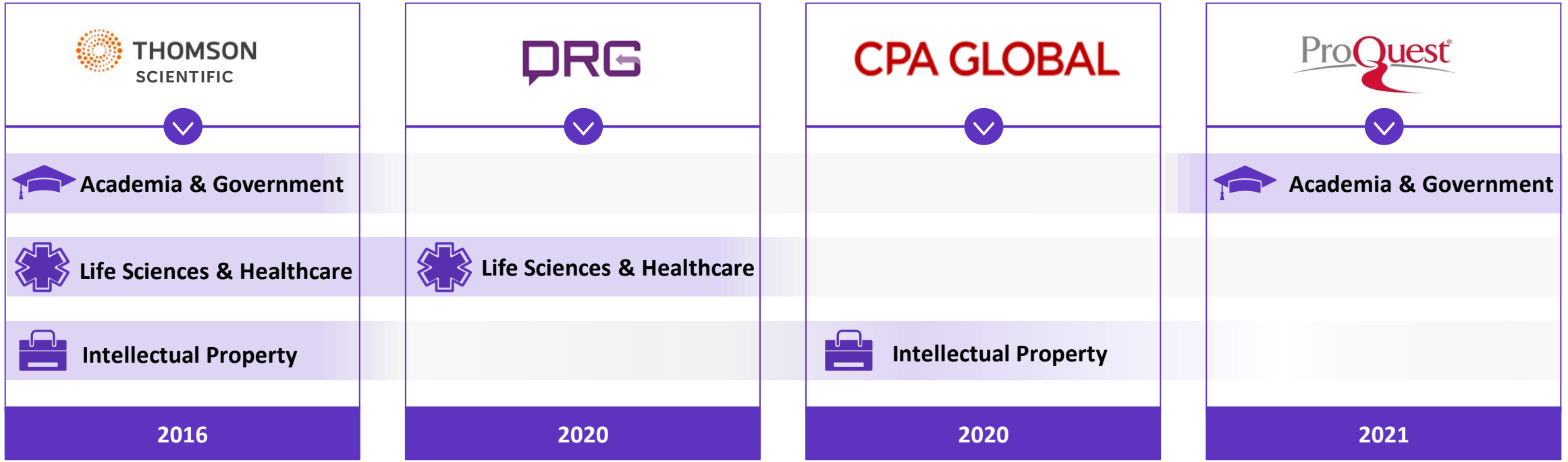
**>40%**
**profit margin[2]**


[1] Includes subscription and re-occurring revenue types. [2] Adj. EBITDA.

03

# Our Core Competencies

# Clarivate was built with four transformational acquisitions extending customer value across our core markets




Acquired foundation capabilities across our three core markets

End-to-end capabilities across the Life Sciences & Healthcare innovation lifecycle

End-to-end capabilities across the Intellectual Property lifecycle

End-to-end capabilities to support A&G research and resource management needs

# An indispensable partner, deeply entrenched across the global innovation ecosystem

**~150+** Countries in which customers **benefit from our data, software and expert insight**

**~99%** Of the world's top 400 universities use our solutions to **accelerate research and enhance education**[1]

**100%** Of the world's top pharma, medtech and biotech companies rely on us to **improve patient outcomes**[2]

**~96%** Of the world's top 50 R&D companies work with us to **accelerate innovation**[3]

[1] Top 400 universities (QS world university rankings). [2] Top 30 pharma (Drug Discovery Trends). Top 20 medical device (Greenlight Guru). Top 10 biotech (Investopedia). [3] Top 50 based on R&D spend (European Union).

# Our best-in-class data powers our solution and service capabilities across our segments



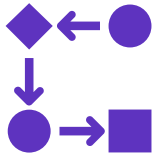
## Enriched Data

Provide comprehensive, curated content collections



## Analytics & Insights

On demand predictive analytics capabilities to inform decision making



## Workflow Solutions

Automate workflow SaaS to enable decisions and manage resources



## Expert Services

Support business critical regulatory and compliance activities



**5+ million**
Dissertations



**245+ million**
Journal articles



**2.4+ billion**
Bibliographic records



**1.8+ million**
E-books



**7+ billion**
Digital pages



**2+ billion**
Citations



**3+ million**
Molecular interactions



**48+ billion**
Patient claims & EHR records



**150+ million**
Patent documents



**9.1+ million**
IP law cases




**141+ million**
Trademark records

# Our capabilities are underpinned by market-leading assets serving a diverse range of personas across the innovation lifecycle

| Market | Knowledge & Learning | Discover & Research | Protect & Publish | Commercialization |
|---|---|---|---|---|
| Academia & Government | ProQuest One™ Academic<br>Academic Video Online<br>Ebook Central<br>Rialto™<br>Leganto™ | Web of Science™<br>Summon™<br>Cortellis™<br>Primo™<br>Pivot™<br>Derwent™<br>Alma™<br>Polaris™<br>Consultancy | Esploro™<br>ScholarOne™<br>Converis™<br>InCites™<br>Journal Citation Reports | Consultancy<br>InCites™<br>Derwent™<br>CPA Global |
| Life Sciences & Healthcare | Ebook Central<br>Healthcare Business Insights | Web of Science™<br>STEM Database<br>Cortellis™<br>Dialog™<br>Consultancy | Derwent™<br>CPA Global<br>CompuMark™<br>Darts-ip™ | Healthcare Data Solutions<br>Dialog™<br>Patient Connect™<br>Consultancy<br>CompuMark™<br>Derwent™ |
| Intellectual Property | | Derwent™<br>Web of Science™ | Derwent™<br>CPA Global<br>CompuMark™<br>Darts-ip™<br>IPfolio™<br>FoundationIP™ | Derwent™<br>CPA Global<br>CompuMark™<br>IPfolio™<br>FoundationIP™ |

Enriched Data | Analytics & Insights | Workflow Solutions | Expert Services

# Our mission critical solutions power our customers through the innovation lifecycle




**Enriched Data**

**Empowering universities to educate students and conduct research efficiently** through the curated collections of academic content

~99%

**ProQuest One Renewal Rate[1]**

Academia & Government

**Analytics & Insight**

Enabling **life sciences companies to ensure regulatory compliance and deliver safe and efficacious medicines to patients faster**

~97%

**Dialog Renewal Rate[1]**

Life Sciences & Healthcare

**Workflow Solutions**

Powering **discovery, research and learning across academic libraries** through critical software and infrastructure solutions

~99%

**Alma Renewal Rate[1]**

Academia & Government

**Expert Services**

Enabling **organizations to mitigate risk in IP protection and navigate the complex IP system** through deep domain expertise and software

~97%

**IP Renewals Retention Rate[1]**

Intellectual Property

**Universities | Research Institutes | Libraries | Govt. Agencies | Pharmaceuticals | MedTech | BioTech | Corporate IP Departments | Law Firms**



[1] FY22 financial information.

04

# Our Operating Model

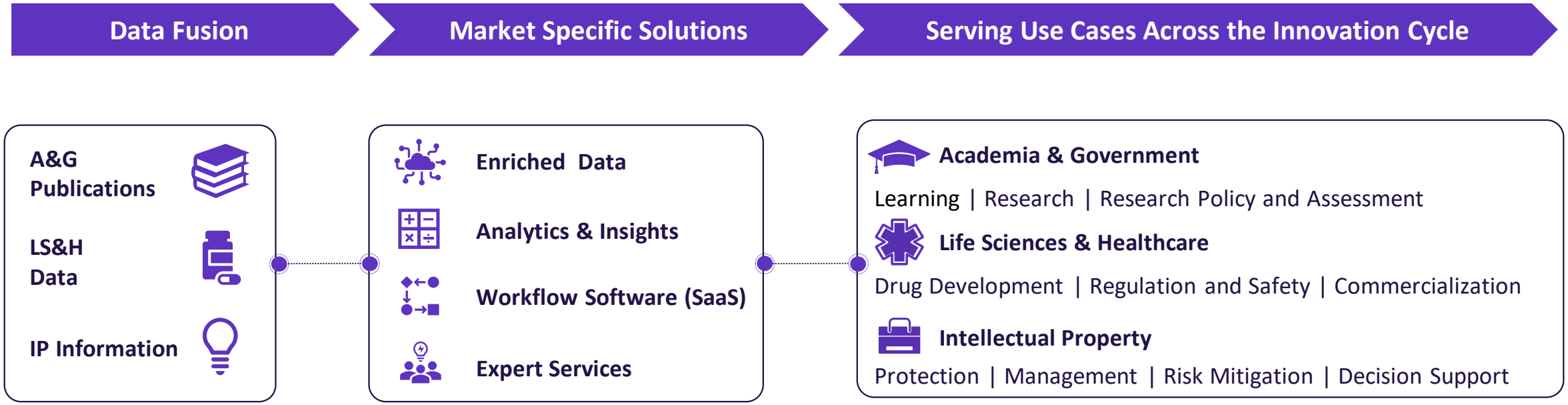
# An operating structure that enables ownership and unlocks scale across Clarivate

| Academia & Government | Life Sciences & Healthcare | Intellectual Property |
|---|---|---|
| Growth, resource allocation and financial return ownership | Growth, resource allocation and financial return ownership | Growth, resource allocation and financial return ownership |
| Product Management | Product Management | Product Management |
| Product Engineering | Product Engineering | Product Engineering |
| Sales & Marketing | Sales & Marketing | Sales & Marketing |
| Expert Services | Expert Services | Expert Services |

- Commercial Channels
- Content, Operations and Solutions
- Information Technology
- Customer Experience
- Talent, Culture and Brand

Clarivate™

# Achieving scale across core markets by bringing together our assets, enabling segment specific use cases across the innovation cycle



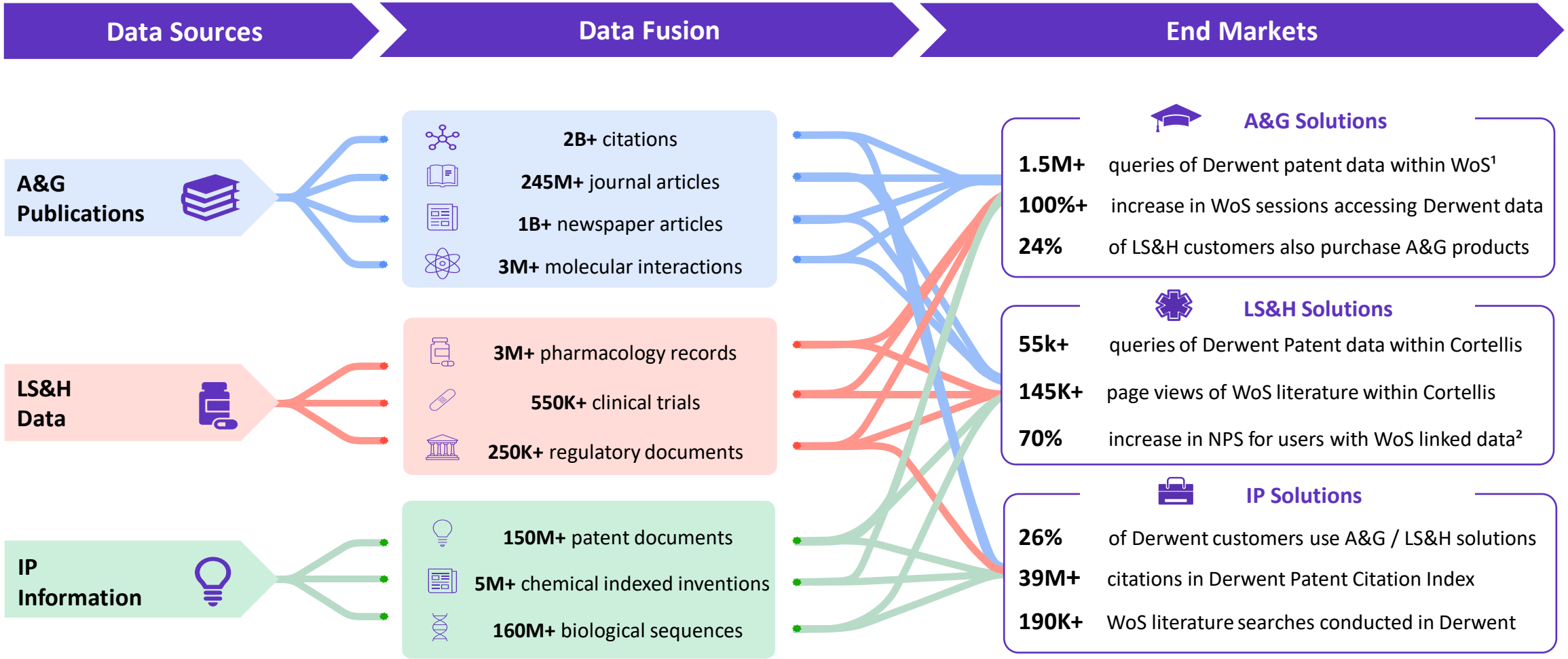

Shared Content

Shared Technology

Shared Commercial Channels

**Scale across our core markets, powering innovation from funding through to research, development and commercialization**

# Shared Content | Integrated data powers our solutions, unlocking high value use cases across our end markets




[1] Web of Science. [2] Net Promoter Score.

# Shared Technology | Enabling customer value creation through unified technology platforms

Interconnected Data → Insights and Analytics → Scalable Solutions → Next Gen Solutions



## Data Infrastructure

Common data stores and **data lakes** enhancing connectivity between distinct data sets across an array of solutions



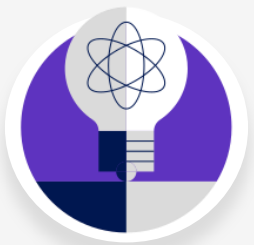
## Data Science

Organization wide, common **machine learning and AI** models driving insights generation



## Scalable & Interoperable Products

**Common platforms** that scale efficiently, and accelerate delivery of our solutions to market



## Technology Driven Innovation

Leverage next generation technologies such as **blockchain and natural language models**

**Shared technology investments accelerate R&D solution innovation across our three segments**

# Shared Commercial Channels | Unleashing the power of our full set of solutions to exceed market growth: Top 5 Pharma customer case study

**Improving patient outcomes through our solutions set** → **Resulting in double digit growth in key customer accounts**

## Academia & Government

Web of Science™ | EndNote™ | Ebook Central™

## Life Sciences & Healthcare

Real World Data | Cortellis™ | Consultancy

MetaCore™ | BioWorld™ | Dialog™

## Intellectual Property

Derwent™ | CompuMark™ | Renewals

Inprotech™ | Darts-ip™




[1] FY20-22 CAGR.

# Scale | Leveraged our shared services to achieve significant cost synergies and scale

**Streamline and consolidation** → **Realized cost synergies**



## Content Operations

- Cross segment AI enabled editorial operations and quality assurance



## Technology Infrastructure

- Datacenter and cloud services unification
- ERP and CRM platform consolidation



## Customer Care

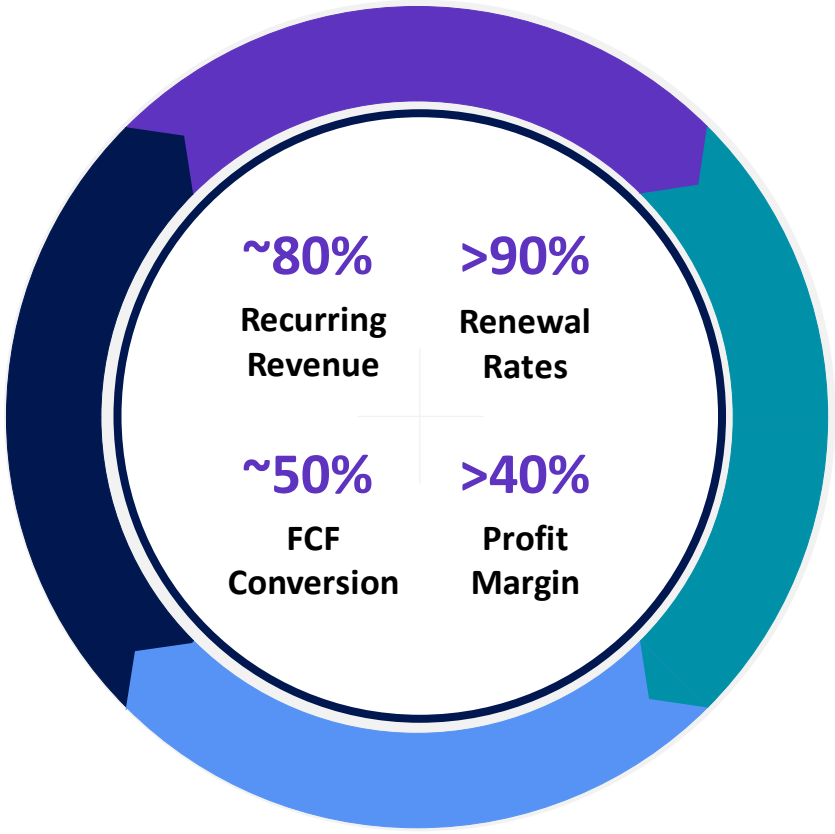
- Streamlined customer workflows
- Consolidation of systems and processes

| | |
|---|---|
| THOMSON SCIENTIFIC / Clarivate™ | ~$75M |
| DRG | ~$30M |
| CPA GLOBAL | ~$100M |
| ProQuest | ~$100M |
| **~$300M** | |

# Accelerated compound returns driven by reinvestment into high-potential growth areas

Secular Growth Markets

Disciplined Capital Allocation




Significant Operating Leverage

Attractive Cash Flow Engine

**Operating Model Driving Accountability and Leveraging Shared Scale**

- Shared Content
- Shared Technology
- Shared Commercial Channels
- Scale Across Core Markets

**Gordon Samson**
Chief Product Officer



05

# Our Segments

**Dr. Nandita Quaderi**
Editor-in-Chief Web of Science



**Jim Holmes**
SVP Sales



**Academia & Government**

**Advance research excellence and student success to accelerate real-world outcomes**

# Academia & Government | Our largest segment with considerable market opportunity

**~48%**

**Pct. of Clarivate Revenue[1]**

**~99%**

**Of the world's top 400 universities use our solutions to accelerate research and enhance education[2]**

**~$7B**

**Serviceable Addressable Market[3]**

**~4%**

**Market Growth[3]**

Clarivate™ [1] FY22 revenue. [2] Top 400 universities (QS world university rankings). [3] Clarivate analysis.

# Our customers face accelerating market trends which our solution set can help address

**Growing research funding & increasingly multi-disciplinary fields**

**Growing academic operating model complexity**



**Complexity of managing research process is increasing across academia and government**



**Increasing demand to demonstrate research return on investment for research**



**Changing operating model for universities and research-intensive organizations**

# We offer a diverse range of solutions across our customer segment advancing research excellence and student success



## Research and Analytics

Analyze and explore the academic research landscape and manage research information



## Content Aggregation

Provide comprehensive content collections to institutions in a cost-effective manner



## Workflow Software Solutions

Software tools to manage academic resources and services, connect users and support research publication

## Key Solutions

| | | | | | | |
|---|---|---|---|---|---|---|
| Web of Science™ | InCites™ | EndNote™ | ProQuest One Academic™ | Ebook Central™ | Rialto™ | Alma™ | Polaris™ |

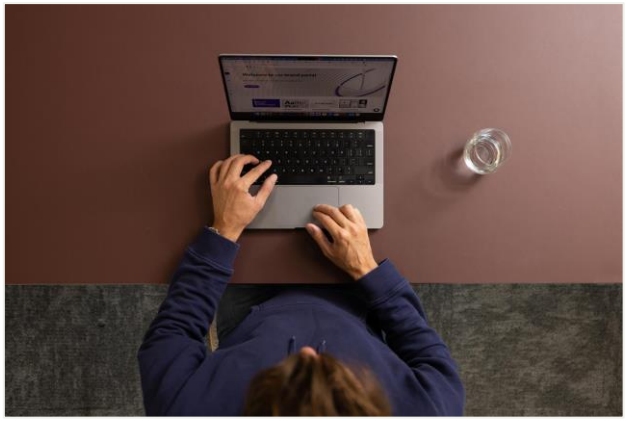
# We help academic and government institutions advance knowledge to build a better world



## Drive research excellence across institutions



## Empower researchers to tackle today's global challenges



## Improve operational efficiency and effectiveness

### Customers

HARVARD UNIVERSITY

Jisc

NYU

Egyptian Knowledge Bank
بنك المعرفة المصرى

THE BRITISH LIBRARY
Explore the world's knowledge

Penn
University of Pennsylvania

中國科學院
CHINESE ACADEMY OF SCIENCES

# Opportunity to expand our content and solutions throughout the non-native English speaking world



**Dr. Rob Poolman**
SVP Product



**Tom Halliday**
SVP Sales



**Life Sciences & Healthcare**

**Empowering life sciences and healthcare organizations to create a healthier tomorrow**

# Life Sciences & Healthcare | High growth market driven by research and development




**Pct. of Clarivate Revenue[1]**

**Of the top pharma, medtech and biotech rely on us to improve patient outcomes[2]**

**Serviceable Addressable Market[3]**

**Market Growth[3]**

Clarivate™

[1] FY22 revenue. [2] Top 30 pharma companies (Drug Discovery Trends). Top 20 medical device companies (Greenlight Guru). Top 10 biotech companies (Investopedia). [3] Clarivate analysis.

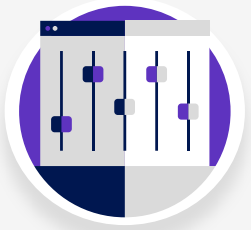
# Our customers face accelerating market trends which our solution set can help address

Accelerating HC data proliferation and demand for real world evidence

Increasing regulatory requirements



**Real world evidence drives the value chain as therapeutic complexity increases**



**Value-based care models call for correlated data and new analytics**



**Growing burden to manage regulatory oversight and compliance obligations**

# Our portfolio spans across the drug and device lifecycle from R&D to commercialization



## Research and Development

Develop new drugs and medical devices from discovery through to clinical trials



## Regulatory and Safety

Efficiently monitor drug safety issues and adhere to the latest global regulatory protocols



## Commercialization

Effectively inform commercial and launch strategy and set pricing for optimal reimbursement

## Key Solutions

Cortellis™ | MetaCore™ | BioWorld™ | Dialog™ | Patient Connect™ | HDS | Adaptive | Fingertip Formulary™ | MedTech 360™

# We empower life sciences and healthcare organizations to create a healthier tomorrow



**Drive asset and portfolio value**



**Advance innovative candidates**



**Accelerate path to patients**



**Measure, protect and grow position**

## Customers

Pfizer Medtronic FDA abbvie Daiichi-Sankyo teva REGENERON GSK

# Opportunity to extend our capabilities beyond data and insights to include mission critical workflow software solutions



Clarivate™

**Jack White**
SVP Product



**Irma Stroud**
SVP Sales



**Intellectual Property**

**Empowering customers to unlock the full potential of IP**

# Intellectual Property | Cornerstone of innovation fueling commercialization and real-world outcomes




**Pct. of Clarivate Revenue[1]**

**Of top 50 R&D companies work with us to accelerate the pace of innovation[2]**

**Serviceable Addressable Market[3]**

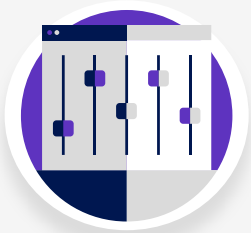
**Market Growth[3]**

Clarivate™ [1] FY22 revenue. [2] Top 50 based on R&D spend (European Union). [3] Clarivate analysis.

# Our customers face accelerating market trends which our solution set can help address

Increasing R&D spend to drive competitive innovation

Increasing patent/trademark filing



**Increasingly complex IP network requiring better collaboration and technology**



**AI/ML and predictive analytics are making inroads into the IP process**



**Managing IP as a business asset is becoming increasingly complex**

# We are a partner of choice for IP management and decision support needs of innovation-driven organizations and law firms



## Patent and Trademark Intelligence

Support mission critical decisions around IP protection, risk and value creation



## Patent and Trademark Management

Create a structured environment for the effective protection and management of global IP assets



## Patent and Trademark Maintenance Solutions

Supporting paralegal and admin tasks throughout the IP protection and maintenance process

## Key Solutions

Derwent™ Innography™ incoPat CompuMark™ Darts-ip™ Inprotech™ FoundationIP™ IPfolio™ Renewals

# We help customers establish, protect and manage their intellectual property



**Enable critical IP decision-making throughout the innovation and brand lifecycle**



**Enhance IP management efficiency and effectiveness**



**Improve practice profitability and enhance customer services**

## Customers

Europäisches Patentamt
European Patent Office
Office européen des brevets

SAMSUNG

KILPATRICK TOWNSEND
ATTORNEYS AT LAW

m&c Marks&Clerk

Nestlé

P&G

SIEMENS

# Unique opportunity to connect and lead the IP ecosystem by combining insights, domain expertise and new technologies to enhance productivity and collaboration across the IP process



Clarivate™



# Investor Day 2023

Break

**Jonathan Gear**
Chief Executive Officer



06

# Our Strategy

We are evolving from a data centric solutions provider…

…to an insights-driven strategic partner to support the innovation lifecycle

# Growth acceleration framework: Intelligence that you can trust to transform the world

**Key Pillars**

1. Execute **customer-centric go-to-market model** positioning our full business value
2. Leverage **interconnected data** for customer personas via accessible solutions & software-enabled content
3. Go beyond data delivering **insights & predictive analytics** to unleash innovation
4. Enable **business processes and decision support** through essential workflow solutions
5. Serve as a trusted partner, offering **value-add services** & strategic guidance

**Principles & Values**

**Innovation redefined | Unparalleled expertise | Sustainable impact**

**We own our actions | We aim for greatness | We value every voice**

07

# Our Current Position

# Significant opportunity to expand organic growth across our three segments

| Segments | FY20-22 Growth Rate[2] | Market Growth Rate[3] | Growth Opportunity |
|---|---|---|---|
| Academia & Government | ~2% | ~4% | ▲ ~2% |
| Life Sciences & Healthcare | ~6% | ~10% | ▲ ~4% |
| Intellectual Property | ~3% | ~6% | ▲ ~3% |
| $2.7B[1] | ~3% | ~6% | ▲ ~3% |

[1] FY22 revenue. [2] Historical growth based on 3-year CAGR 2020PF – 2022A pro forma for acquisitions and divestitures at constant currency. [3] Clarivate analysis.

# Academia & Government | Realizing our growth opportunity through content, analytics and use case expansion

| Historical Growth[1] | Market Growth | Growth Opportunity |
|---|---|---|
| ~2% | ~4% | ▲ ~2% + |

## Capability Breakdown

## Performance

- Research and Analytics
- Content Aggregation
- Workflow Software Solutions

**Performance to Market Growth Rates**

- Achieving/exceeding
- Close to market growth
- Underperforming

## Realizing our growth opportunity in Academia & Government

- Deliver unparalleled research insights and analytical solutions
- Maintain and expand best-in-class content aggregation portfolio
- Expand our multichannel approach to serve a diverse academic ecosystem

Clarivate™

[1] Historical growth based on 3-year CAGR 2020PF – 2022A pro forma for acquisitions and divestitures at constant currency.

# Life Sciences & Healthcare | Moving up the value chain through integrated platforms and enhanced content

| Historical Growth[1] | Market Growth | Growth Opportunity |
|---|---|---|
| ~6% | ~10% | ▲ ~4% + |

## Capability Breakdown

| Capability Breakdown | Performance |
|---|---|
| Research and Development | |
| Regulatory and Safety | |
| Commercialization | |

Performance to Market Growth Rates

Achieving/exceeding | Close to market growth | Underperforming

## Realizing our growth opportunity in Life Sciences & Healthcare

- Accelerate drug and device R&D through AI/ML powered solutions
- Capitalize on increasing emphasis from regulatory authorities on drug safety
- Move up the value chain through RWD commercialization platform solutions

[1] Historical growth based on 3-year CAGR 2020PF – 2022A pro forma for acquisitions and divestitures at constant currency.

# Intellectual Property | Driving improvement through connected intelligence and use case expansion

| Historical Growth[1] | Market Growth | Growth Opportunity |
|---|---|---|
| ~3% | ~6% | ▲ ~3% + |

## Capability Breakdown

| Capability Breakdown | Performance |
|---|---|
| Patent and Trademark Intelligence | |
| Patent and Trademark Management | |
| Patent and Trademark Maintenance Solutions | |

Performance to Market Growth Rates

Achieving/exceeding | Close to market growth | Underperforming

## Realizing our growth opportunity in Intellectual Property

- Strengthen core search capabilities and expand IP intelligence to new use cases
- Enhance software integrating experts, insights and collaboration solutions
- Unify technology and expert services to drive efficiency in global filing practices

[1] Historical growth based on 3-year CAGR 2020PF – 2022A pro forma for acquisitions and divestitures at constant currency.

# Realizing our revenue growth opportunity across our three segments by FY25

| Segments | FY20-22 Growth Rate[2] | Growth Improvement | FY25 Growth Rate |
|---|---|---|---|
| Academia & Government | ~2% | ▲ ~2% | ~4% |
| Life Sciences & Healthcare | ~6% | ▲ ~4% | ~10% |
| Intellectual Property | ~3% | ▲ ~3% | ~6% |
| $2.7B[1] | ~3% | ▲ ~3% | ~6% |

[1] FY22 revenue. [2] Historical growth based on 3-year CAGR 2020PF – 2022A pro forma for acquisitions and divestitures at constant currency.

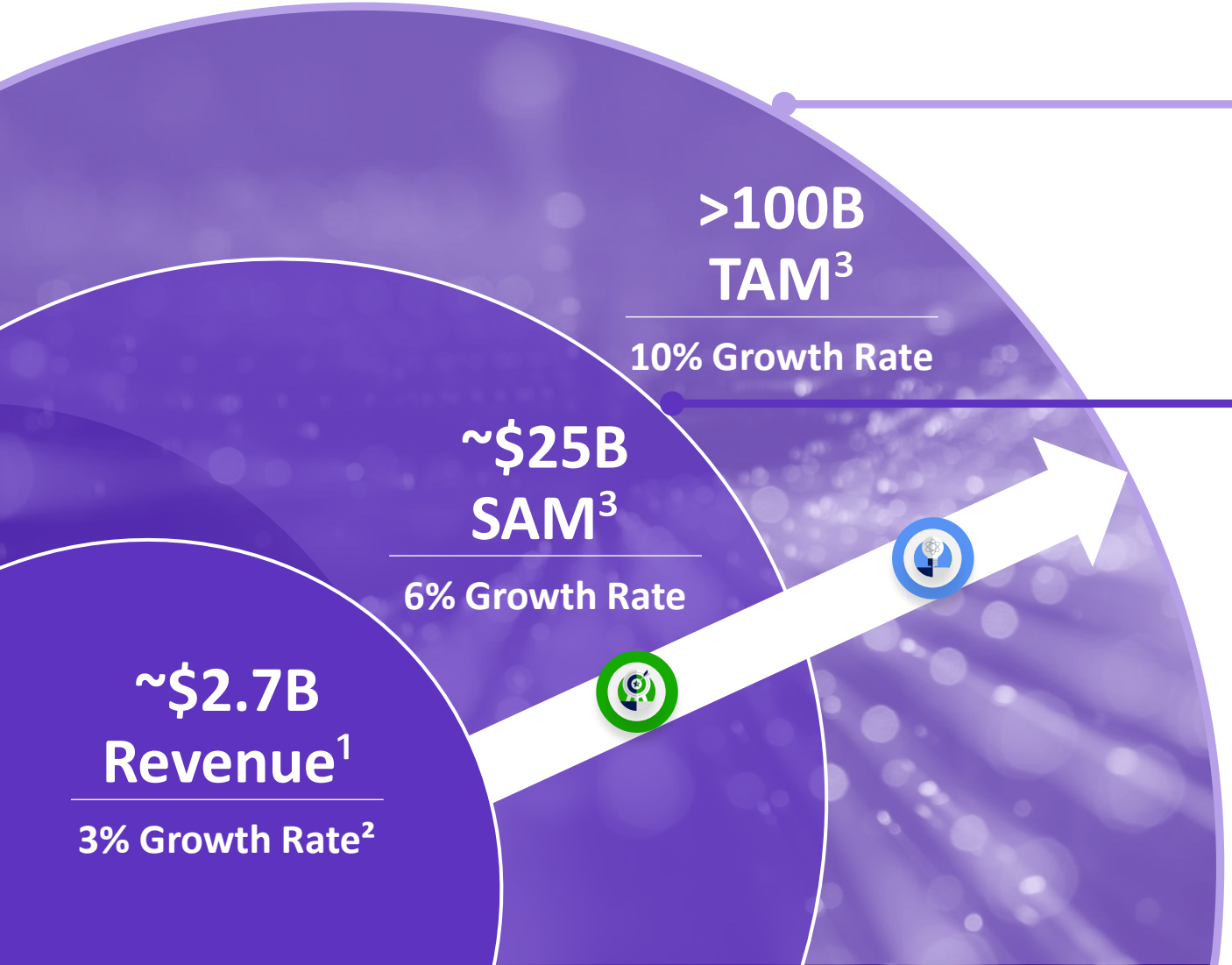
**Jonathan Collins**
Chief Financial Officer



08

# Our Growth Plan

# Our growth plan will enable us to achieve and exceed market growth rates




## Total Addressable Market (TAM)

Size of the total innovation lifecycle management market

## Serviceable Addressable Market (SAM)

Size of the innovation lifecycle management market served by our current solutions, **which we are actively expanding**

**Key**

- **Actions to achieve market growth rates**
- **Actions to exceed market growth rates**

[1] FY22 revenue. [2] FY20PF-22A CAGR. [3] Clarivate analysis.

# Utilizing our growth levers to achieve and exceed market growth rates

Strategic Growth Pillars

| | 1 Customer-centric go-to-market model | 2 Interconnected data | 3 Insights and predictive analytics | 4 Business processes and decision support | 5 Value-add services |
|---|---|---|---|---|---|
| Academia & Government | ◔ | ◔ | ◔ | ◔ | ◔ |
| Life Sciences & Healthcare | ○ | ◔ | ○ | ○ | ◔ |
| Intellectual Property | ○ | ◔ | ○ | ○ | ◔ |

Key

◔ Actions to achieve market growth rates

○ Actions to exceed market growth rates

# Academia & Government | Returning to growth in underperforming areas

Achieve Growth

## Improving performance through our customer-centric go-to-market model and value-add services

### Web of Science

Growing revenue by selling best-in-class Web of Science research discovery and analytics portfolio into Corporates and leveraging custom data solutions

### Research and Analytics

Increasing retention with our customers by combining ProQuest and Web of Science solutions

## Returning to market growth rates in Research & Analytics and Workflow Software Solutions

### Enhanced Content

Leverage and interconnect new, distinct content sources to establish more competitive differentiation

### Resource Analytics

Develop decision support capabilities enabling academic administrators to maximize educational resources

astellas · Roche · Australian National University · CSU The California State University

**Web of Science™** **Alma™** **Leganto™**

# Academia & Government | Actioning our growth opportunity across high performing areas

Exceed Growth

## Accelerating the capture of market opportunities

### Innovation Commercialization

Cross-sell IP lifecycle platforms to enhance research commercialization across A&G customers

### Expert Services Expansion

Grow innovation-focused consulting services to inform governmental R&D policy and university strategy

## Driving growth and expanding SAM in high performing areas

### Best-in-class Workflow Solutions

Incorporation of next generation features and third-party integrations to improve resource management

### Premier Content Marketplace

Grow content portfolio and establish the premier content marketplace to accelerate knowledge transfer

University of Pittsburgh · 北京大学 PEKING UNIVERSITY · KOREA UNIVERSITY · CSIRO

Primo™ Summon™ Vega™ Rialto™

# Academia & Government | Pillars in action



**Advising senior leadership team of a top-tier US research university on fastest growing research disciplines** to inform hiring and funding strategy to elevate university reputation



Providing **country-wide access to bibliometric analytics and new content sets** to European academic consortium to accelerate research



**Implementing country-wide engagement and workflow software suite** to maximize resource usage and enhance operational efficiency

# Life Sciences & Healthcare | Returning to growth in underperforming areas

Achieve Growth

## Improving performance through value-add services

### Embedded Services Layer

Further integrate services into wider product and data solutions to increase revenue pull through

### Strategic Partner

Leveraging insights from our connected data stores and lakes to deliver strategic guidance to C-suite stakeholders

NOVARTIS Otsuka Boston Scientific Pfizer

## Returning to market growth rates in commercialization

### Integrated Solutions

Unite and optimize commercialization and market access solutions to enhance user value proposition

### Enhanced Content

Interconnect complementary Life Sciences & Healthcare data to provide AI/ML powered insights

**Fingertip Formulary™**

**Healthbase**

# Life Sciences & Healthcare | Actioning our growth opportunity across high performing areas

Exceed Growth

## Accelerating the capture of market opportunities

### Regulatory Workflow and Insights

Combining data, insights and services to provide holistic regulatory solutions, enabling global compliance

### Patient Cohorts

Identifying patient populations to prioritize R&D and commercialization strategies

## Driving growth and expanding SAM in high performing areas

### Next Gen Drug Safety and Pharmacovigilance

Partnering with customers to streamline regulatory compliance across the drug safety workflow

### Real World Data Solutions

Improve accessibility of real world data and delivering critical insights through tech-enabled common platforms

AMGEN Takeda Eisai abbvie

**Drug Safety Triager**

**Real World Data Solutions**

# Life Sciences & Healthcare | Pillars in action



**Providing region specific disease landscape views for a top 10 pharmaceutical company**, through cloud-based analytics platforms, integrating our solutions for a **single source of truth**



Enabling a **top 5 medtech company** to drive **investment and performance decisions** through **comprehensive and contextual market intelligence insights**



**Empowering digital transformation** at a **top 25 pharmaceutical company,** across the **regulatory affairs and intelligence workflows** globally spanning 70+ countries

# Intellectual Property | Returning to growth in underperforming areas

Achieve Growth

## Improving performance through value-add services

### Service Automation

Leverage AI and automation in-house to increase operational efficiencies and deliver higher-value services to our customers

### Disrupt Search and Watch Services

Combine AI-driven analytics and Trademark search expertise to deliver improved decision-making

## Returning to market growth rates in Patent & Trademark Intelligence and Patent & Trademark Maintenance solutions

### Embedded Intelligence

Build use case-specific applications on top of our best-in-class content and search algorithms to offer a complete ecosystem of decision-support intelligence

### Patent and Trademark Services Integration

Supporting deeper combined product value propositions through integrated services portfolio

SONY NISSAN PHILIPS Johnson&Johnson

**Derwent™** **Brand Landscape Analyzer** **Patent Services**

# Intellectual Property | Actioning our growth opportunity across high performing areas

Exceed Growth

## Accelerating the capture of market opportunities

### Patent and Trademark Offices

Strengthen our partnerships with the top patent and trademark offices and expand to new emerging jurisdictions

### Innovation Intelligence

Aligning academics, government policymakers, and corporates through a data-driven innovation strategy

## Driving growth and expanding SAM in high performing areas

### Best-in-class IP Management

Strengthen position and enable growth using embedded insights, services integration and advanced technology capabilities, including blockchain

### Enabling a Connected IP Ecosystem

Next-gen of IP filing, workflow and payment management to drive productivity and collaboration

IPfolio™ FoundationIP™ Connect

# Intellectual Property| Pillars in action



Partnering with an automotive manufacturer to **inform R&D investment strategy** through our patent and research intelligence solutions

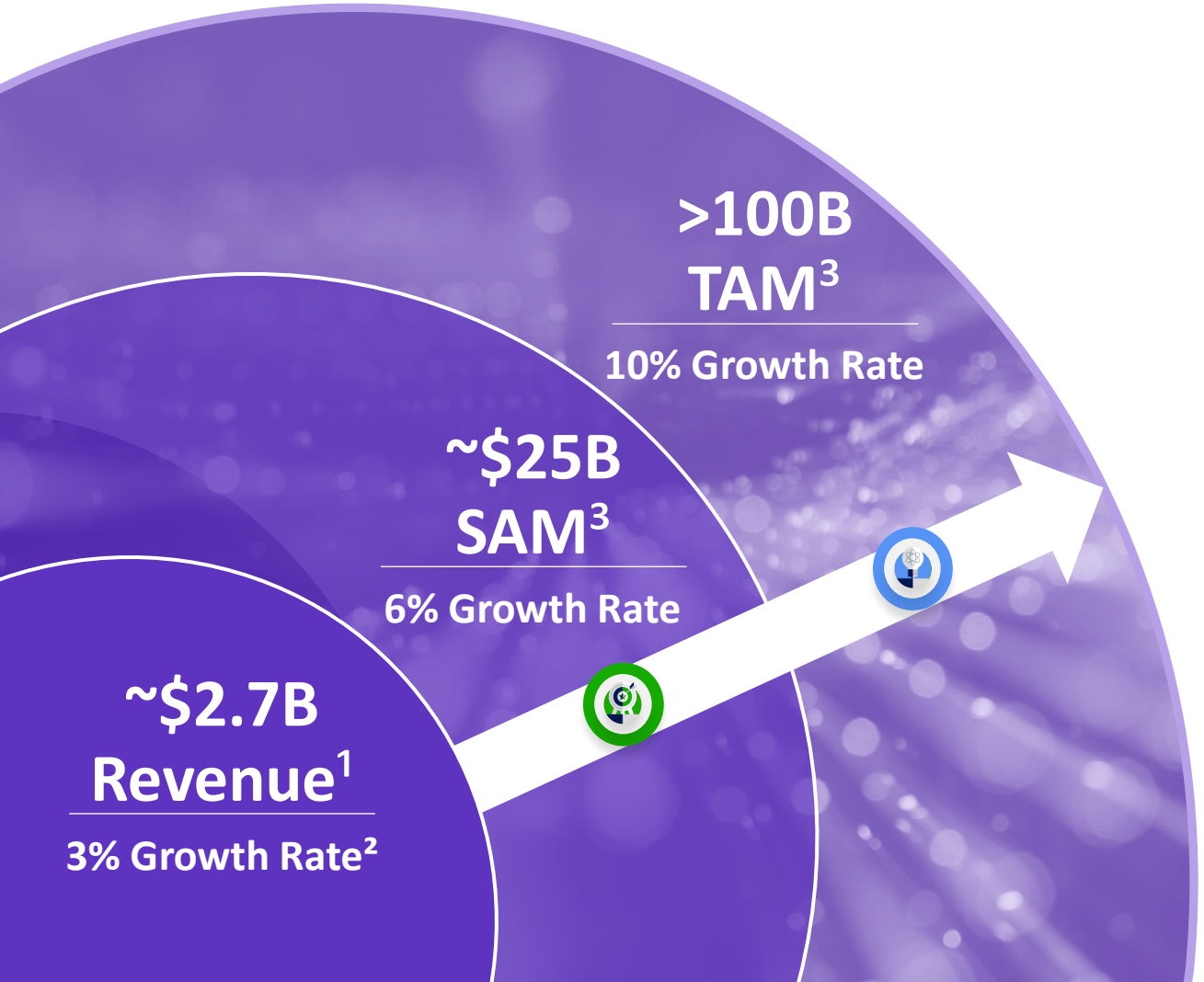


Supporting a **Japanese technology corporation to effectively manage complex IP regulations** through an integrated and localized software solution



Bringing together our insights and tech-enabled services to support a European **personal care corporation** successfully **manage and assess trademark risk**

# Investing across our growth levers to achieve and exceed market growth rates




## Growth Acceleration Framework

- Customer-centric go-to-market model
- Leverage interconnected data
- Insights and predictive analytics
- Business processes & decision support
- Trusted strategic partner

[1] FY22 revenue. [2] FY20PF-22A CAGR. [3] Clarivate analysis.

09

# Our Financial Outlook

# Financial objectives



1

## Accelerate organic growth to market levels

We are going to progressively improve our growth rate



2

## Durable margin through the investment cycle

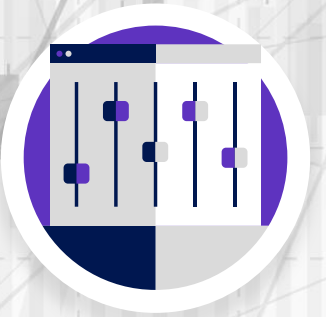
We are going to invest to catalyze growth in high potential areas



3

## Attractive cash flow engine

We are going to generate more cash than we ever have



4

## Disciplined capital allocation

We are going to deleverage and return to buy backs and accretive M&A

# Financial evolution

| | NYSE Listing FY19 | | Today FY22 | | Outlook FY25 | |
|---|---|---|---|---|---|---|
| Organic Growth | 3% | ▶ | 3% | | ~6% | +300 bps |
| Revenue | $1.0B | ▶ | $2.7B | >2.5x | ~$3.0B | 3x |
| Adj. EBITDA | 30%<br>$0.3B | ▶ | 42%<br>$1.1B | +1200 bps | ~43%<br>$1.3B | +$1B |
| Adj. Diluted EPS | $0.53 | ▶ | $0.85 | +30¢ | ~$1.00 | 2x |
| Free Cash Flow | <$0.1B | ▶ | $0.3B | >2x | ~$0.7B | >10x |
| Net Leverage | 5.4x | ▶ | 4.2x | (>1x) | <3x | (>2x) |

Clarivate™ See the Appendix for a reconciliation of GAAP to Non-GAAP measures.

# Improvement trajectory

## Revenue

Expect organic growth acceleration to reach market growth levels by 2025. ~$3B revenue by 2025 as organic growth improves. USD expected to remain at current levels in long term projections

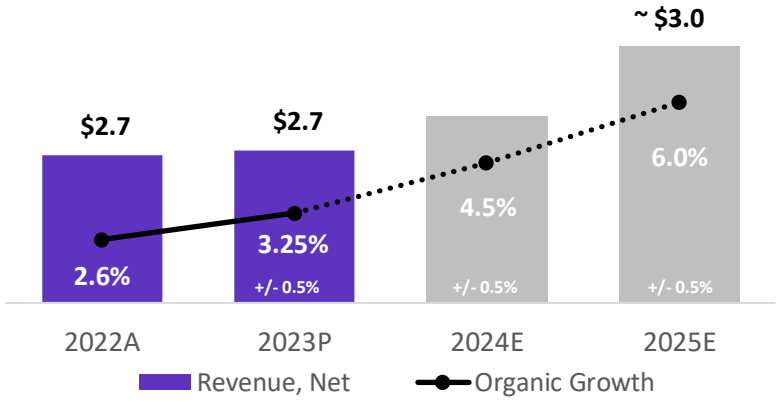
## Adj. EBITDA

Durable profit margins to modestly expand each year

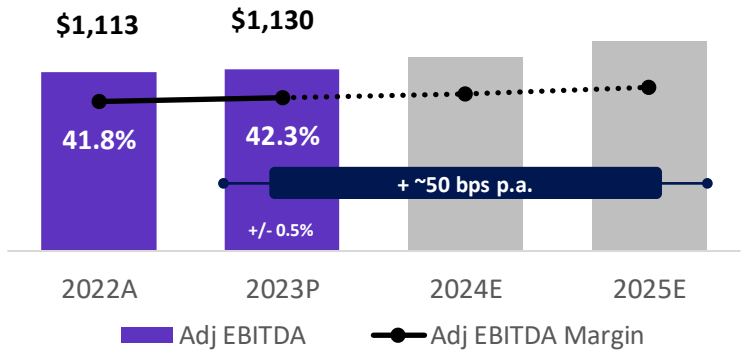
## Free Cash Flow

Projecting substantial improvement in FCF conversion in 2023 on significantly lower one-time costs. ~$1.8B FCF generation in next three years

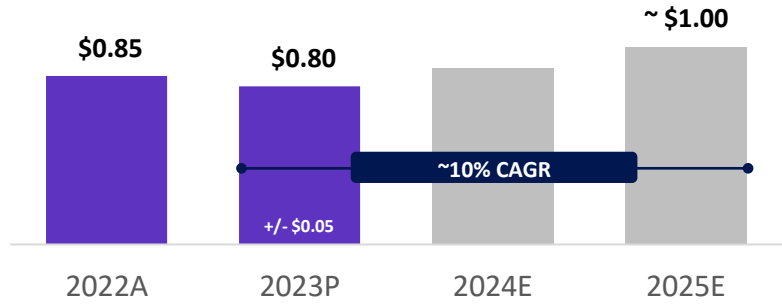
### Revenue ($B)



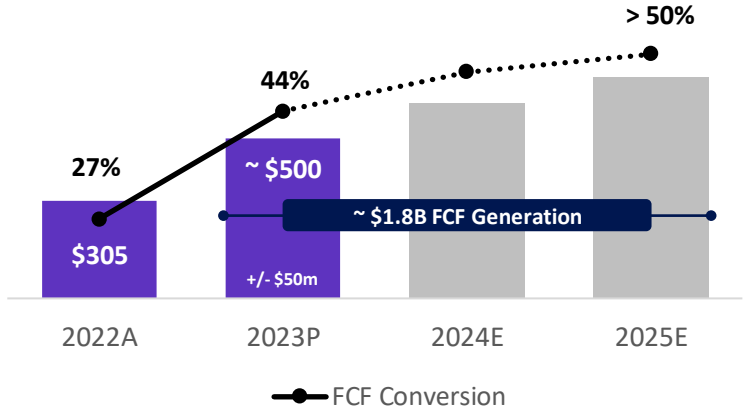

### Adjusted EBITDA ($M)




### Adjusted Diluted EPS




### Free Cash Flow ($M)






See the Appendix for a reconciliation of GAAP to Non-GAAP measures. 2024E and 2025E reflect our long-term objectives.

# Accelerate organic growth to market levels

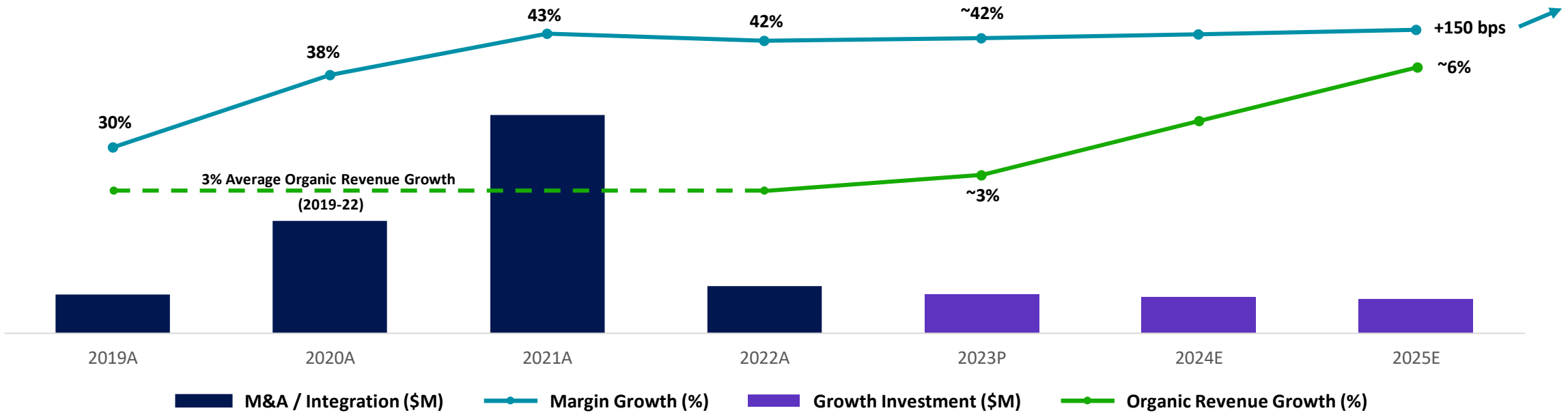
**Key**
- Achieving / exceeding market growth
- Close to market growth
- Underperforming market growth

| Segment | FY19-22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|
| **Academia & Government** | | | | (Market Growth ~4%) |
| ~48%[1] | | | | |
| Research and Analytics | | | | |
| Content Aggregation | | | | |
| Workflow Software Solutions | | | | |
| **Life Sciences & Healthcare** | | | | (Market Growth ~10%) |
| ~17%[1] | | | | |
| Research and Development | | | | |
| Regulatory and Safety | | | | |
| Commercialization | | | | |
| **Intellectual Property** | | | | (Market Growth ~6%) |
| ~35%[1] | | | | |
| Patent and Trademark Intelligence | | | | |
| Patent and Trademark Management | | | | |
| Patent and Trademark Maintenance | | | | |

[1] Percentage of FY22 Clarivate revenue.

# Durable margin through the investment cycle

**Investment in Margin Expansion** | **Investment in Organic Growth**




**Payback Period: ~2 Years**

**~$500m[1] investment from 2019-2022 resulting in ~$300m of run rate synergy savings and double-digit margin expansion**

**Payback Period: ~2.5 Years**

**Expect to invest incremental $100-$150m[2] from 2023-25 to drive organic growth improvement of ~300bps, while maintaining healthy margins**

Clarivate™

[1] Includes ~$240m transaction costs, ~$150m Restructuring and ~$100m of debt issuance and financing related costs. [2] Includes ~$50m incremental capital investment and ~$80m opex investment in key initiatives to drive incremental growth.

# Attractive cash flow engine

## One-Time Costs

Expect minimal one-time costs in future as most of large M&A integration is complete

## Interest and Taxes

Expect interest costs to decline as excess cash is used to de-lever. Cash taxes expected to remain ~$70m per annum

## Working Capital

Modest working capital investment required to grow topline

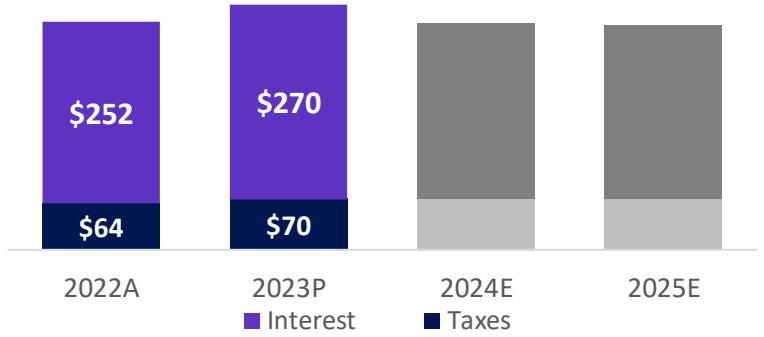
## Capex

Capital investments to increase to ~9% for next 2 years to propel growth and then reduce back to ~8% of sales

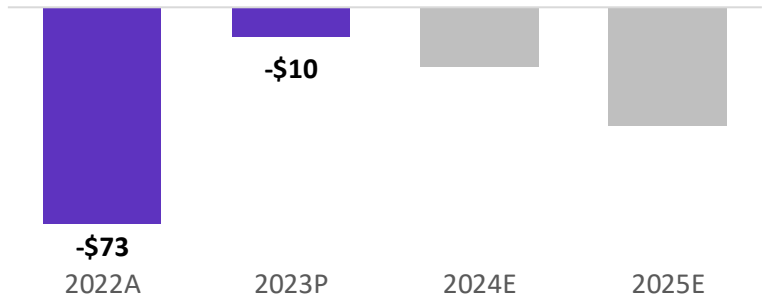
### One Time Costs ($M)



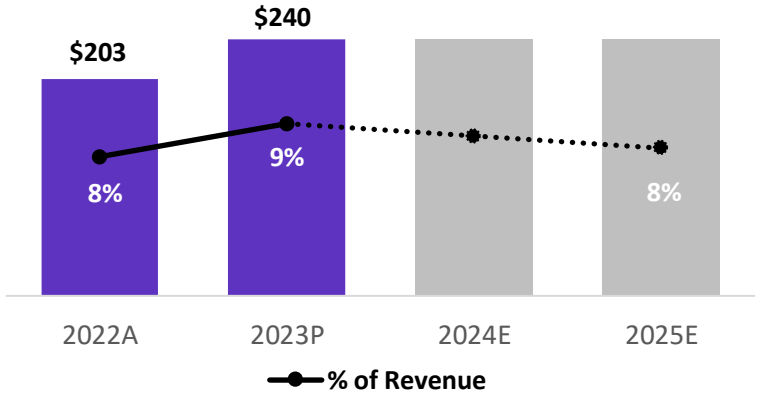

### Interest and Taxes ($M)




### Working Capital Change ($M)




### Capex ($M)




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2024E and 2025E reflect our long-term objectives.

# Disciplined capital allocation

**1 Optimize capital structure**



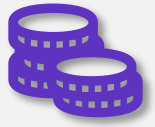
Continue to prioritize deleveraging in 2023 and reduced floating rate exposure

**2 Organic investments to catalyze growth**



Enhance strategic value by prioritizing high ROI opportunities

**3 Retain option to repurchase shares**



$1bn repurchase program authorized in early 2022

**4 M&A**



Highly selective investment criteria following period of major acquisitions

1 2 **2023 - 2025**

3 4 **2024 - 25**

# Continue to strengthen balance sheet and mitigate interest rate risk

## Deleveraging

Anticipate <4x leverage by end of 2023 by utilizing FCF to repay floating rate debt

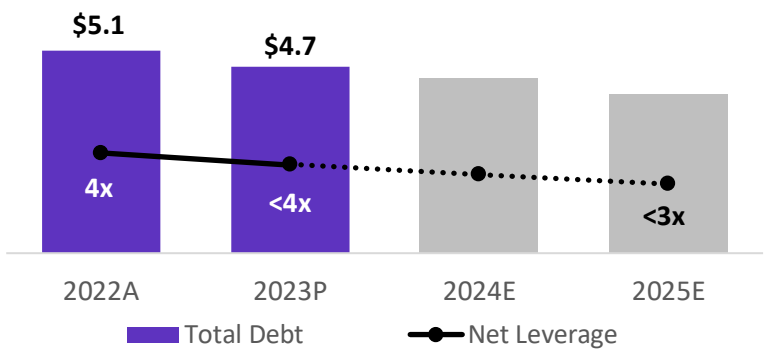
Expect leverage to be <3x by 2025 with a balanced FCF allocation to deleverage and buy back shares

## Debt Structure

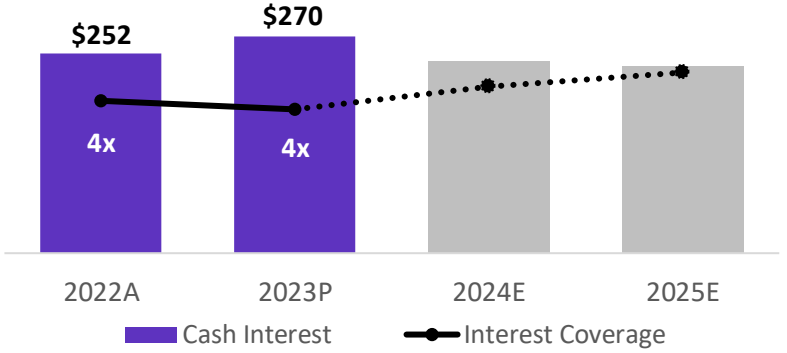
Expect minimal floating rate debt exposure as excess cash is used to deleverage over the next 3 years

No debt maturities or mandatory pre-payments for the next 3 years

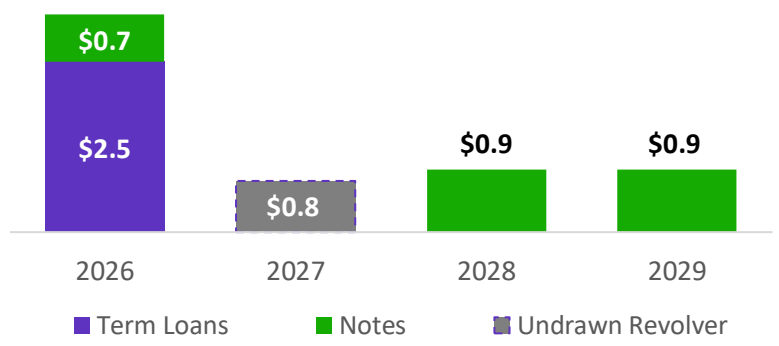
### Total Debt / Net Leverage ($B)



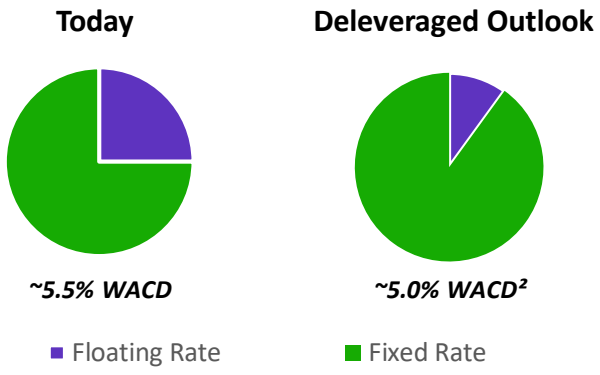

### Interest Coverage ($M)




### Debt Maturity ($B)[1]

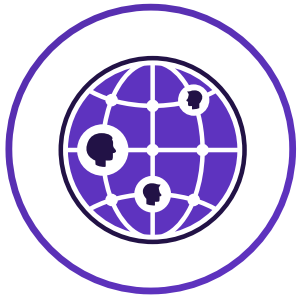



### Interest Rate Mix




[1] Debt maturity based on Dec 2022 actual debt balance. See the Appendix for a reconciliation of GAAP to Non-GAAP measures. 2024E and 2025E reflect our long-term objectives. [2] De-levered WACD at Libor forward curve as of Dec 2025.

# Multiple reinforcing dynamics combine, presenting a compelling opportunity to drive profitable and sustainable growth



## Secular Growth Markets

Our markets are expanding, driven by innovation with long runway for growth



## Economically Insulated

Resilient markets which outperform in periods of economic downturn



## Mission Critical Solutions

Industry gold standard solutions embedded in customer workflows



## Robust Business Model

Recurring information services compounder poised to accelerate organic growth and financial returns

**~6%** SAM Growth[1]

**+8%** Average percentage points market indicators outperformed GDP[2]

**>90%** Renewal rate[3]

**~80%** Recurring revenue

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[1]Clarivate analysis. [2] Avg. performance across three market indicators during 2008-09. [3] FY22 renewal rate, subscription products.

10

# Q&A Session

# Closing Remarks

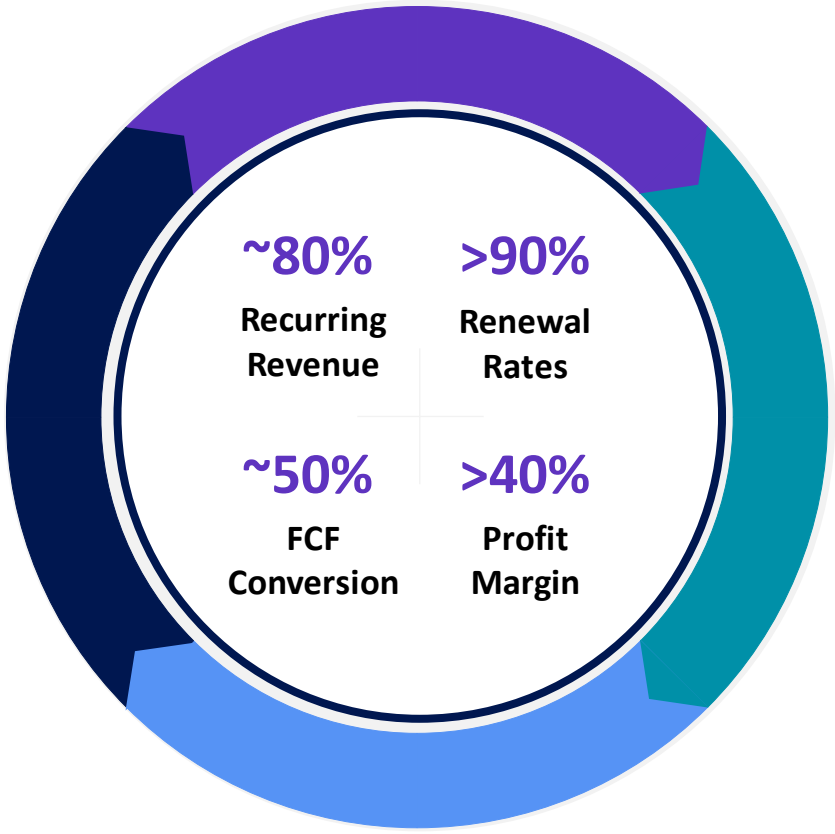


**Jonathan Gear**
Chief Executive Officer

# Accelerated compound returns driven by reinvestment into high-potential growth areas

Secular Growth Markets

Disciplined Capital Allocation




Significant Operating Leverage

Attractive Cash Flow Engine

**Operating Model Driving Accountability and Leveraging Shared Scale**

- Shared Content
- Shared Technology
- Shared Commercial Channels
- Scale Across Core Markets

Clarivate™

# Thank you



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