Date : **2026-01-14**		
Name : **WOLTERS KLUWER**	Country : **NL**	
Symbol : **AMS:WKL**	Price : **88.100 EUR**	
Sector : **Industrials**	Industry : **Research & Consulting Services**	
How many YES to the following questions?	**20**	/ 28.
Grade	**7**	/ 10.

INVESTING CHECKLIST

1)		**Famous** - do many people use the business' products, is it in plain view?
2)	YES	**Hype** - can I say that the business does not run on any sort of "hype", "craze"?
3)	YES	**Circle of Competence** - do I or would a 10-year-old understand the business easily?
4)	YES	**Liquidity** - can I easily buy or sell the shares?
5)	YES	**Sustainable** - does the business belong to a sector that operates in the long term?
6)	YES	**Competitive Advantage** - is the business its sector's leader or top 3?
7)	YES	**Pricing Power** - can the business drive the pricing without losing customers?
8)		**Everyday Product** - is the product "indispensable", "primary", "day-to-day"?
9)	YES	**Margin of Safety** - is the price fair or low?
10)		**Future** - has the business room to grow a lot in the long term?
11)		**Strong** - is it hard for the business to be disrupted by competition or innovation?
12)		**Assets** - does the business have assets undervalued compared to its stock price?
13)	YES	**Asset-Light** - does the business require few assets to prosper?
14)	YES	**Compounding** - is the business a compounding machine?
15)	YES	**Insiders** - has management skin in the game?
16)	YES	**Management** - are the management and executive board top-notch and trustworthy?
17)	YES	**CEO** - is the business headed by a long-time, top track-record CEO or founder?
18)		**Manageable** - can the business thrive with another CEO?
19)	YES	**Reputation** - has the business a good reputation?
20)	YES	**Accounting** - did the business never disclose an accounting "error" or "fraud"?
21)		**Risks** - does the business avoid structural risks?

How many of the following MOATs does the business have ?

22)	YES	**Barrier of Entry** - is it hard to enter the business' market and challenge it?
23)	YES	**Switching Costs** - is opting for a competitor's product costly for the user?
24)	YES	**Intangible Assets** - strong brand, patents, regulatory license, utility-like?
25)		**Network effects** - does the business value grow as its user base expands?
26)	YES	**Cost Advantage** - can the business sell at lower prices than everyone else?
27)	YES	**Scale** - is the business a leader inside a limited-size market?
28)	YES	**Subscription-like** - does the business cash in long-term Recurring Revenue (RR)?

Does the business fit the following criteria?

	Yes / No	10Y Evolution%	10Y CAGR%	Preferred	Actual / LTM
P/E	NO	(14.82)	(1.58)	< 15	18.80
Book Value	NO	531.49	20.14	< 1	23.30
Revenue	NO	44.42	3.94	> 7% growth	6,077
Net Income	YES	165.00	10.82	> 10% growth	1,123
Gross Margin	YES	6.38	0.65	> 40% Margin	72.90
Profit Margin	YES	83.84	6.62	> 10% Margin	18.50
Earnings	YES	232.00	13.47	> 9% Growth	4.80
Earnings Yield	YES	17.39	1.61	> RFR + 30%	5.40
FCF	YES	167.78	10.92	> 10% Margin	22.80
ROE	YES	403.38	18.54	> 15%	92.60
ROA	YES	119.70	8.63	> 10%	12.00
ROIC	NO	79.53	6.35	> 15%	12.90
WACC	YES			< ROIC	5.70-6.90
ROCE	YES	97.35	7.41	> 20%	26.62
PEG Ratio	NO			< 1	3.22
LT Debt	YES			IG?	A+
LT Debt / FCF	NO	94.19	7.23	< 3	3.22
Debt/Equity	NO	463.56	19.95	< 1	5.90
Quick Ratio	NO	(5.72)	(0.62)	> 1	0.70
Retained Earnings	NO	(35.83)	(4.81°		-
Capex/Sales	NO	15.65	1.54	< 5%	10
Insider Ownership	NO			> 10%	2
Dividend	NO	224.00	13.17	> 3% Yield	2.65
Dividend 5Y CAGR	YES			> 10%	14.58

NOTES

Netherlands-based Wolters Kluwer (WKL) has built a wide moat and currently shows a 82% Recurring Revenue (RR) rate, navigating within a niche business with high barrier to entry, high switching costs, high quality unique intangible assets, excellent reputation. Asset-light WKL has isuccesfully become a digital tool essential to mission-critical professionals such as health and law practitioners. WKL has cost advantages because failure is more expensive for its customers than the price paid for its products which represent just 1% of customers' total costs. The value WKL brings is therefore higher than what it costs. With such a large RR rate and growing, WKL is a low-uncertainty business however Artificial Intelligence (AI) could eventually disrupt its business model unless WKL develops or adopts an advanced Generative AI that would enhance its future long-term growth. Nancy MCKINSTRY has been WKL's CEO since 2003 and will retire in February 2026 after turning WKL into a leading high-value content provider. Her successor Stacey CAYWOOD was appointed to the Executive Board in May 2025 and has held various positions within WKL since 1992. As a result, hope for profitable continuation is high although CAYWOOD will have to prove she's as keen on long-term growth as MCKINSTRY against the backdrop of unlikely but not impossible heightened AI-powered competition and potential disruption within the knowledge industry. As for the financial statements, many ratios and trends can be considered « very good » but not « exceptional » from a growth viewpoint, thereby showing that WKL is a mature company whose main strength lies in its large RR rate as a slow-growing leader within a low-competition niche market. Questions remain unanswered about WKL's ability and room to grow in the future, which could be quite subdued whereas capital expenditures could increase to meet the challenges posed by AI. Overall, WKL is a very good business in a high value industry whose recurring nature of its revenues make it an almost compelling investment opportunity, yet one has to carefully assess to what extent the niche characteristic of WKL's business model could draw the attention of big tech companies. Although the WKL's current multi-moat makes such a move unlikely without some concentration or buyout initiated by big tech companies, everything that brings unique knowledge to most advanced professions like WKL's products is likely boost to AI next-generation models.

- January 14, 2026, Charles Rault | cr AT charlesrault.com

To date, the author does not hold any shares in the companies mentioned in this document.

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