

Bertelsmann

Interim Results 2021



Investor Conference Call

August 31, 2021

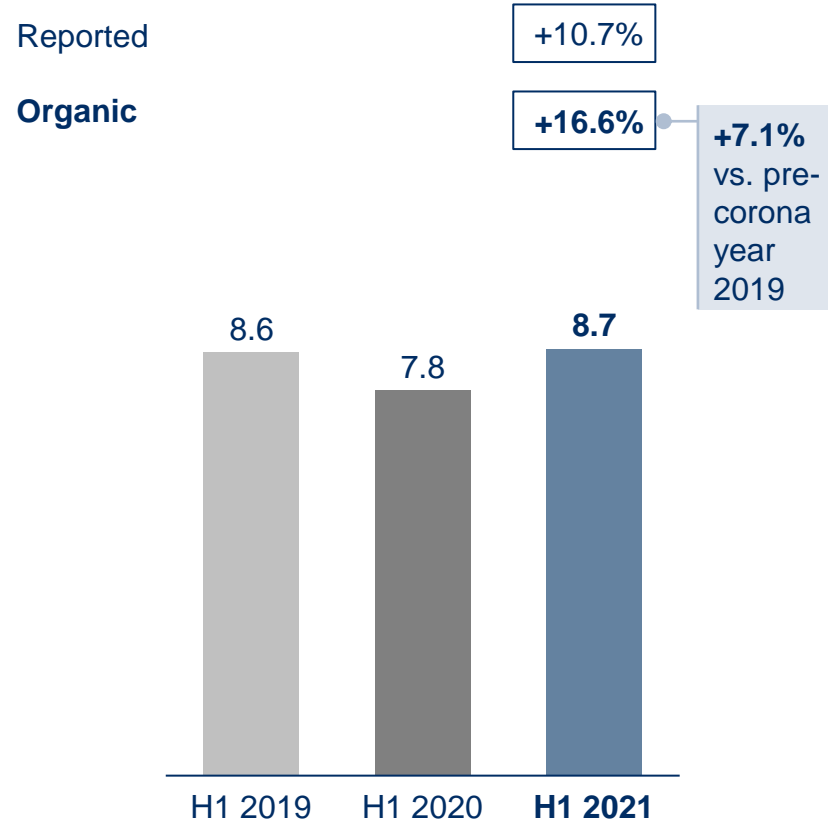
Rolf Hellermann, Member of the Executive Board and CFO of Bertelsmann

Interim Results H1 2021 – Highlights and key topics

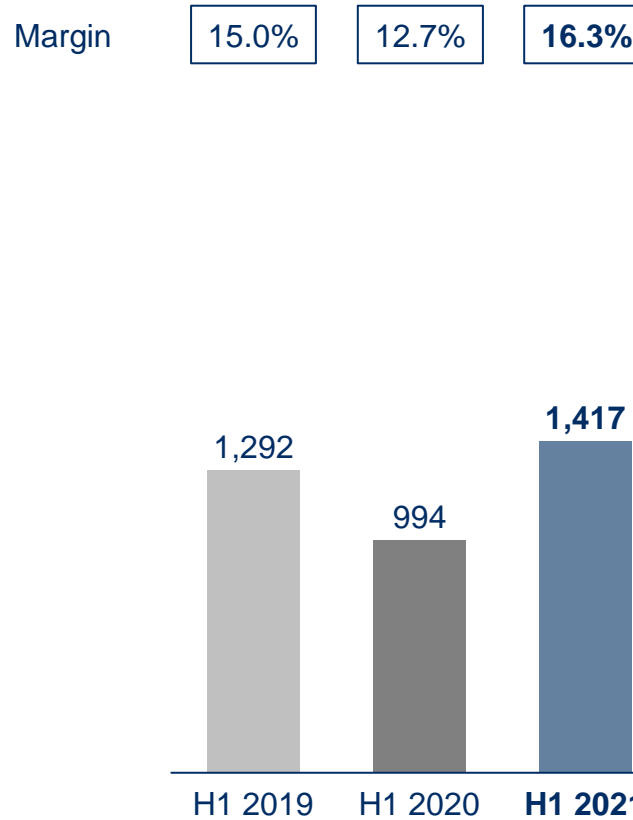
1. **Record business performance** | Revenues of €8.7 billion | Operating EBITDA of €1.4 billion (+42.5%) | Group profit more than doubled
2. **Strong financial position** | Leverage factor at 1.5x | High equity ratio of 42 percent | Commitment to prudent financial policy
3. **Comfortable liquidity reserves** | Solid cash conversion rate of 88% | Upcoming acquisitions covered | RCF extended to 2026
4. **Strategy** | National media champions | Global content | Global services | Online education | Investment portfolio
5. **Outlook** | Market uncertainties remain | Robust portfolio | Moderate revenue growth | Increase of EBITDA on comparable basis

Group key figures – Strong organic revenue growth, Operating EBITDA at record high, Group profit increased by €880m

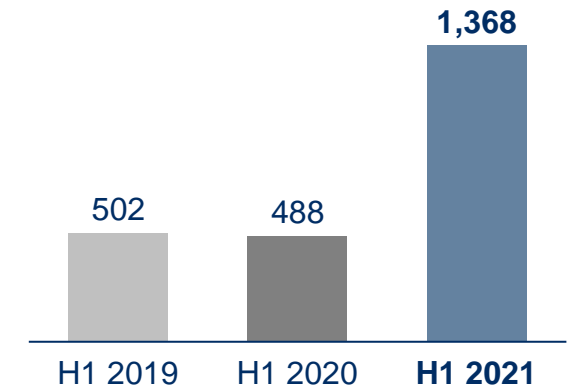
Revenues, in € billions



Operating EBITDA¹⁾, in € millions



Group profit, in € millions



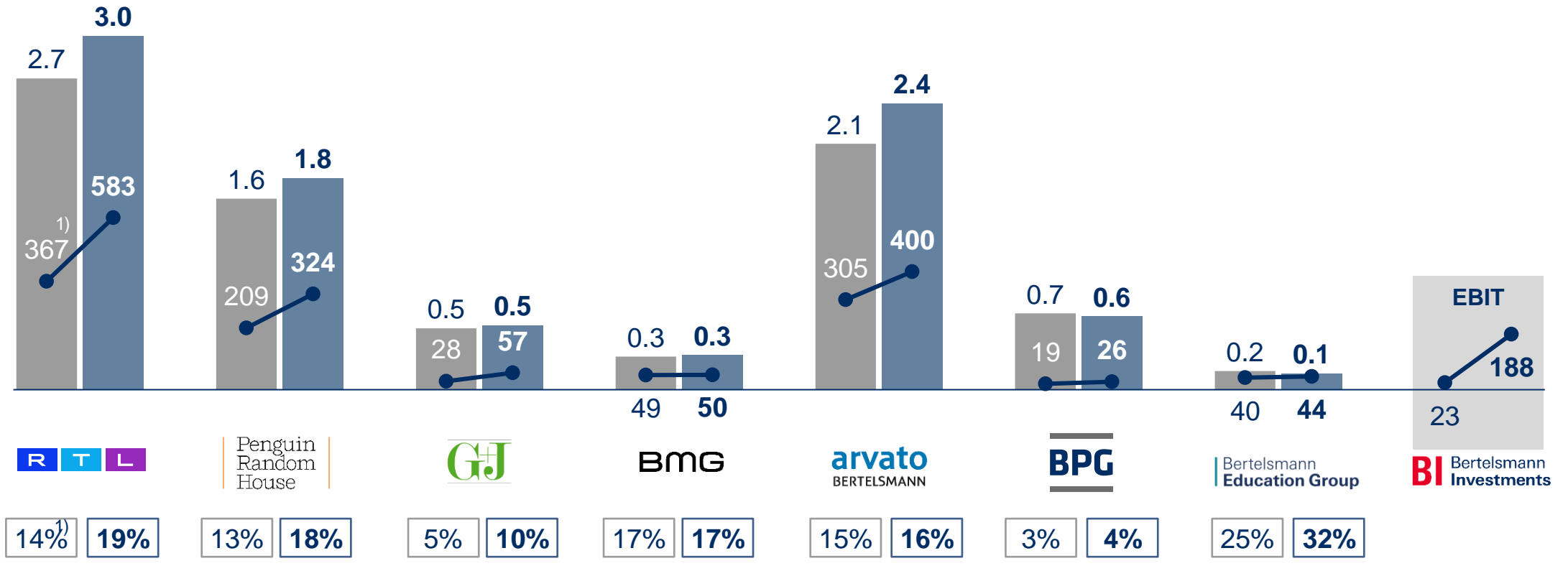
1) H1 2020 restated

Divisions – Strong performance of Penguin Random House and Arvato, significant recovery of advertising businesses

■ H1 2020 ■ H1 2021

Revenues
in € billions

Operating EBITDA
in € millions



1) Restated

Group profit – Exceeds billion-euro mark already in the first six months of the current financial year

in € millions	H1 2020	H1 2021	Change	Comment
Operating EBITDA¹⁾	994	1,417	+423	Strong performance of book publishing and service businesses, recovery of advertising businesses
Depreciation and amortization ¹⁾	-436	-415	+21	
Restructuring/other adjustments	-88	-59	+29	Lower restructuring expenses at RTL Deutschland, G+J and Prinovis
Impairments/reversals	-66	-5	+61	Impairment Atresmedia in previous year
Capital gains/losses and FV remeasurements	401	991	+590	High capital gains from divestments especially due to disposal of SpotX (+745) and Prisma (+49)
∑ Special items	247	927	+680	
EBIT	805	1,929	+1,124	
Financial result	-184	-155	+29	Lower expenses from derivatives, additional expenses from bond buyback
Income tax expense	-133	-406	-273	Increase mainly attributable to higher earnings before tax
Group profit	488	1,368	+880	

1) H1 2020 restated

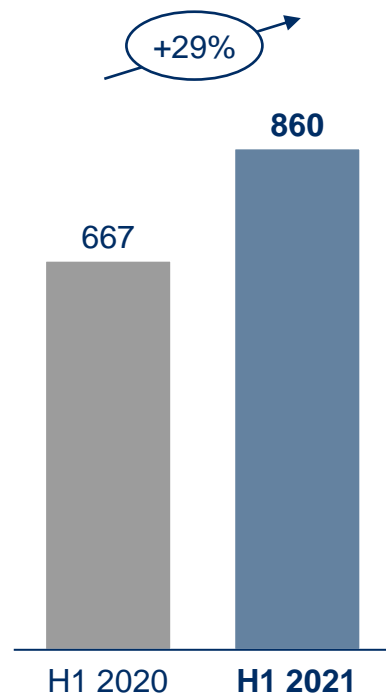
Further Group key figures – Higher cash flow, investments and divestments above previous year

Operating Free Cash Flow, in € millions

CCR

122%

88%

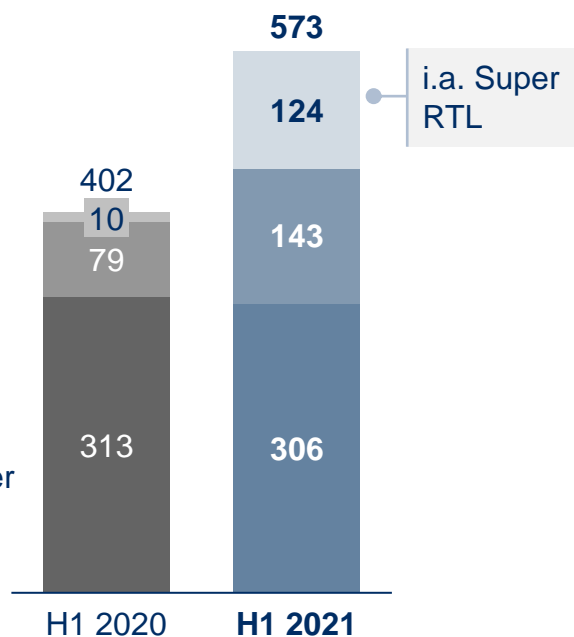


Investments¹⁾, in € millions

Purchase prices for consolidated investments (net of acquired cash)

Investments in financial assets

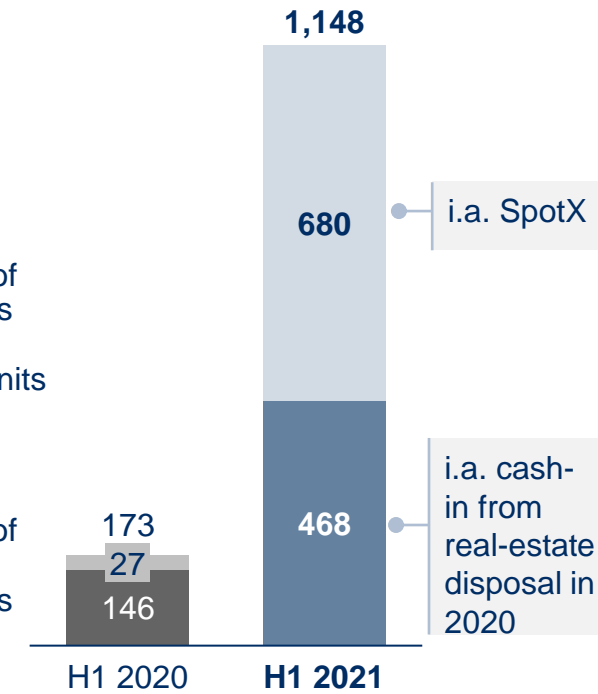
Investments in other non-current assets



Divestments, in € millions

Disposals of subsidiaries and other business units

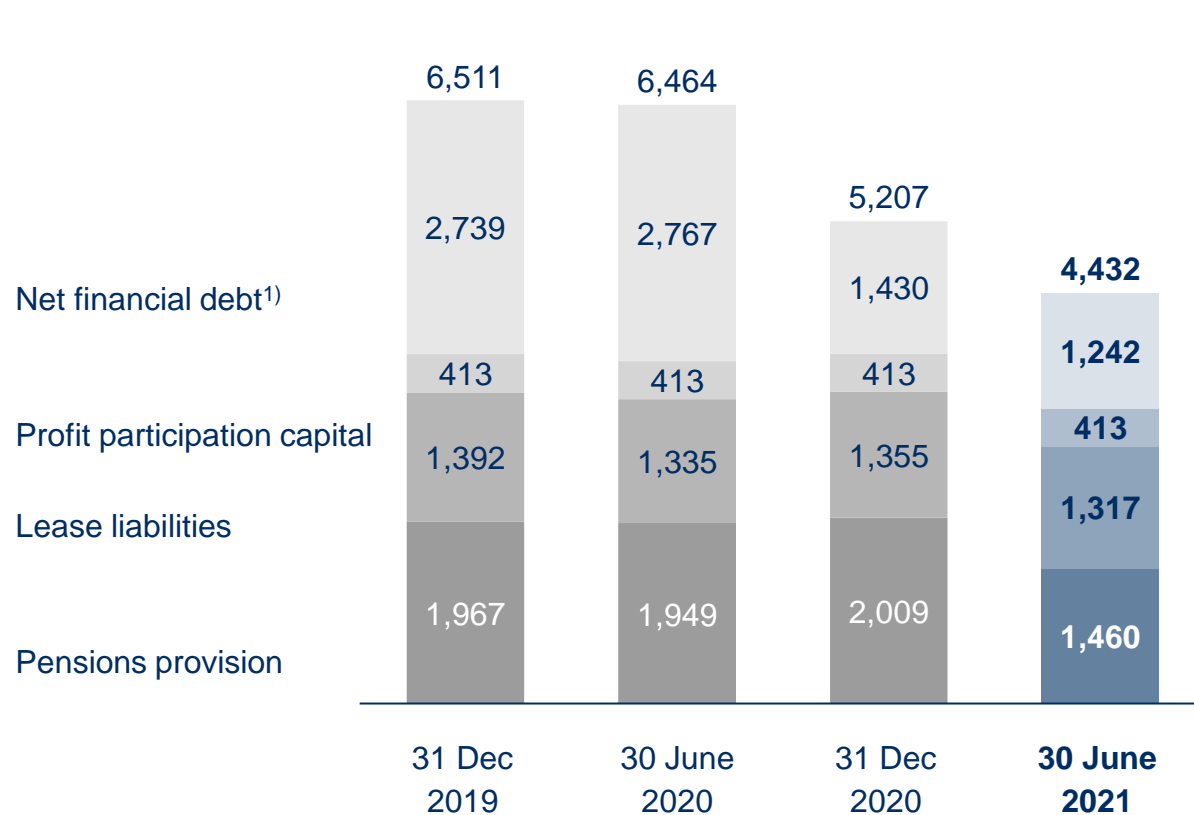
Disposals of other fixed assets



1) According to cash flow statement

Financial status (1/2) – Net financial debt and pensions decreased, leverage factor far below limit

Economic Debt, in € millions



Leverage Factor

$\frac{\text{Economic debt}}{\text{Operating EBITDA}^2}$



Equity Ratio

$\frac{\text{Equity}}{\text{Total assets}}$



Credit Rating

MOODY'S INVESTORS SERVICE	Baa2 , outlook: stable
S&P Global Ratings	BBB , outlook: stable

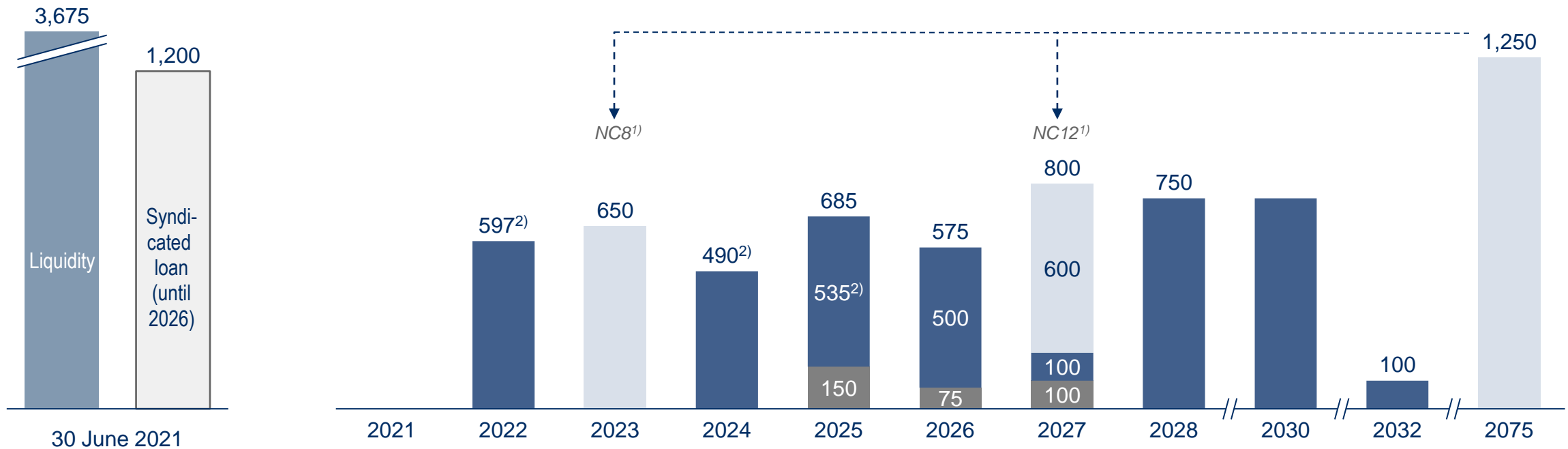
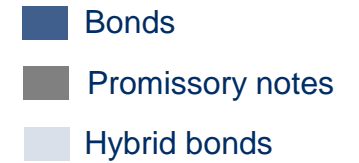
1) Less 50% par value of hybrid bonds 2) After modifications

Financial status (2/2) – Liquidity used for tender offer and early redemptions, comfortable liquidity position

in € millions

Financing activities H1 2021

- Early redemption of €100m floating-rate promissory note (due in April 2023)
- Early redemption of €500m bond in March (due in May 2021)
- Tender offer for bonds due in August 2022, October 2024 and September 2025 totaling a nominal value of €428 million



1) Indication of first call date, for illustrative purposes only 2) Outstanding nominal amount has been reduced by tender offer

Group strategy – Substantial progress along all strategic priorities



Outlook full year 2021 – Bertelsmann's business performance expected to further strengthen

Market development

- Global economic growth
- Continued uncertainty
- Mixed market conditions

Outlook Group development

- Moderate revenue growth, continued recovery of advertising markets
- Significant to strong increase in Operating EBITDA on a comparable basis
 - Moderate decline in reported Operating EBITDA as previous year included €376m disposal proceeds from real estate transactions
- Group profit of nearly €2bn
- Continued execution of growth strategy

Q&A-session



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