



BOOST

The Next Level

Bertelsmann Interim Results 2023

Investor Conference Call
August 30, 2023
Rolf Hellermann, CFO of Bertelsmann

Interim Results H1 2023 – Highlights and key topics

1. **Solid business performance** | Revenues increased to €9.7 billion | Operating EBITDA of €1.3 billion at high level | Group profit down
2. **Sound financial position** | Leverage factor at 2.3x | High equity ratio of 46 percent | Commitment to prudent financial policy
3. **Comfortable liquidity position** | Improved Operating Free Cash Flow | Cash Flow impacted by Boost initiatives
4. **Strategy** | National media champions | Global content | Global services | Education | Investment portfolio
5. **Outlook** | Market uncertainties | Robust portfolio | Moderate revenue growth | Stable EBITDA on comparable basis

Group key figures – Revenues up to €9.7 billion, Operating EBITDA and Group profit below previous year

Revenues, in € billions

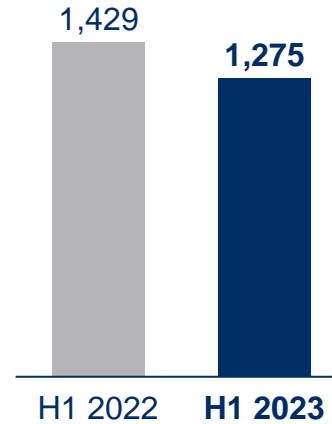
Reported +4.5%
Organic +2.3%



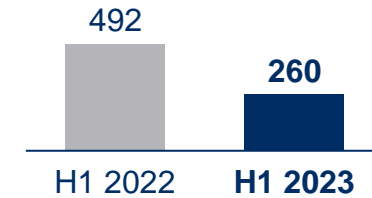
Operating EBITDA, in € millions

Before streaming¹⁾

1,495 1,347

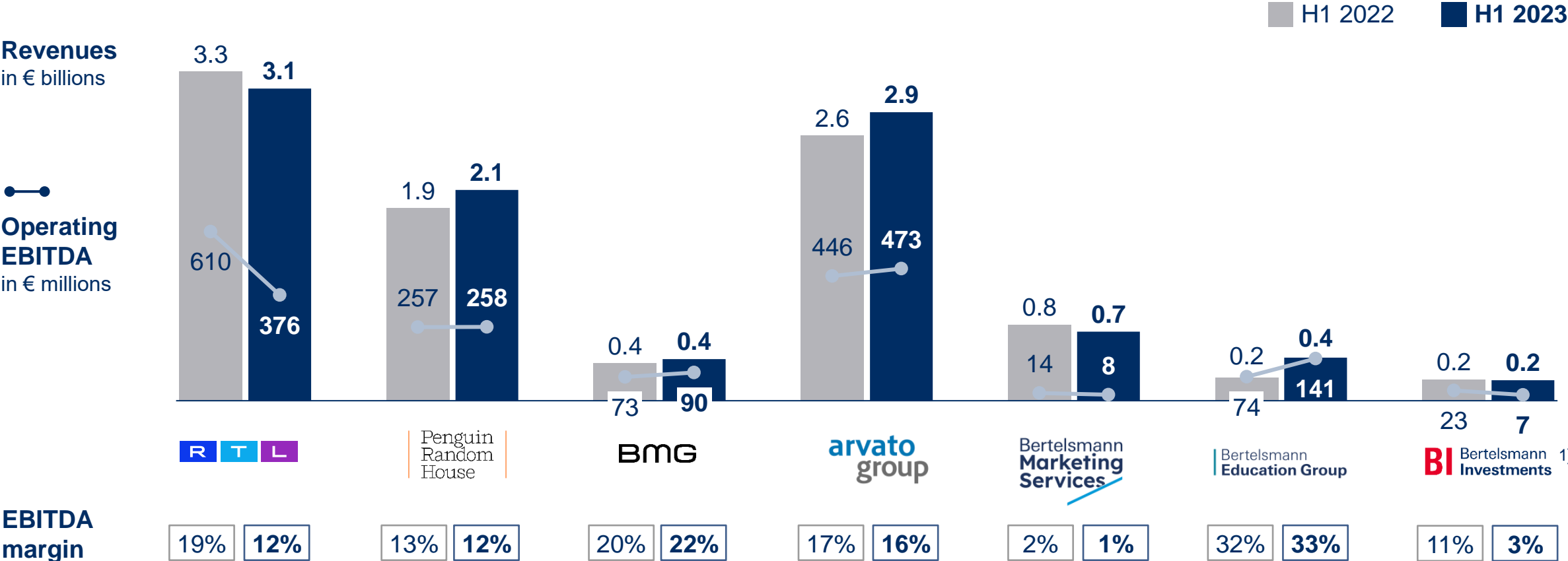


Group profit, in € millions



1) Start-up losses streaming RTL Group (RTL+ GER, Videoland, RTL+ HUN, Salto and Bedrock)

Divisions – Revenue and earnings growth at Penguin Random House, Arvato Group, BMG and Education Group, RTL Group impacted by TV advertising markets



1) Business development of venture capital business of BI determined primarily on the basis of EBIT, EBIT of BI amounted to €-36 million (H1 2022: €29 million)

Group profit – Below previous year due to challenging TV advertising markets and higher restructuring costs; partly compensated by lower tax expense

in € millions	H1 2022	H1 2023	Change	Comment
Operating EBITDA	1,429	1,275	-154	Challenging TV advertising markets especially in Germany; positive development of music, services and education businesses
Depreciation and amortization	-486	-563	-77	
Restructuring/other adjustments	-90	-216	-126	Mainly restructuring costs at RTL (realignment publishing unit), PRH US (structural reorganization), Bertelsmann Marketing Services (closure of gravure printing locations)
Impairments/reversals	2	-4	-6	
Capital gains/losses and FV remeasurements	-15	17	+32	
∑ Special items	-103	-203	-100	
EBIT	840	509	-331	
Financial result	-161	-158	+3	
Income tax expense	-187	-91	+96	Mainly attributable to lower earnings before tax
Group profit	492	260	-232	

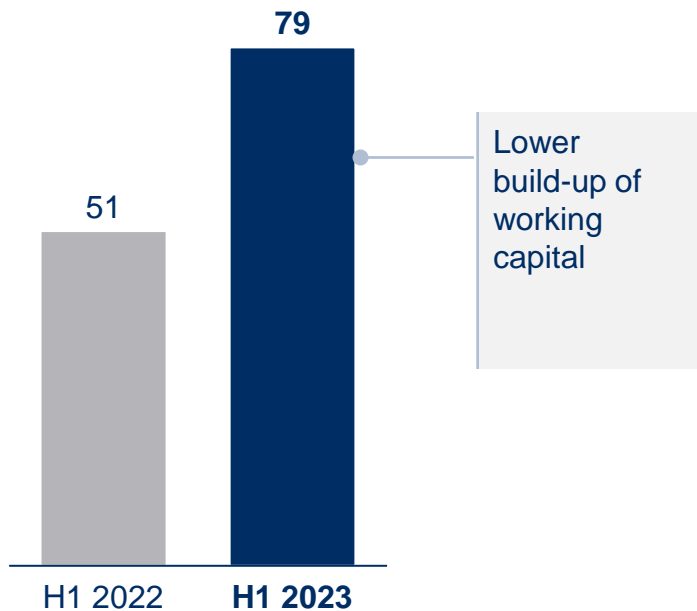
Further Group key figures – Improved working capital, continued high level of investments

Operating Free Cash Flow, in € millions

CCR

6%

12%



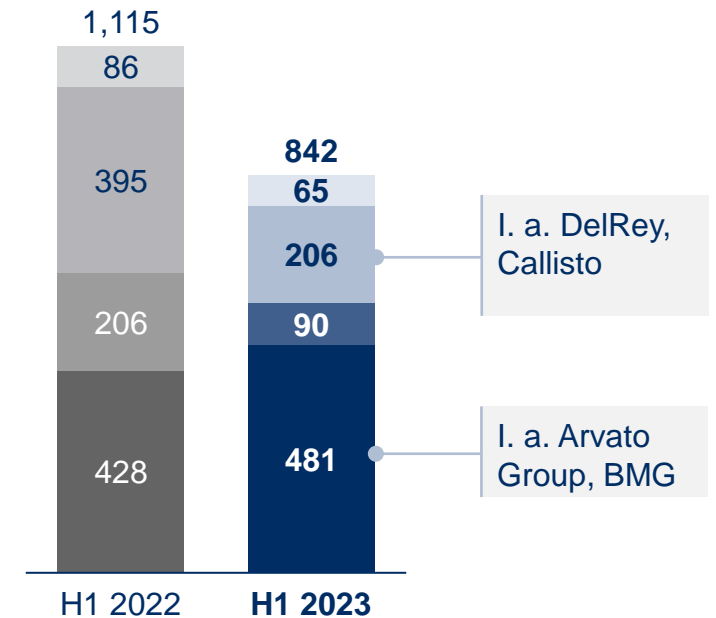
Economic investments¹⁾, in € millions

Share increases in already fully consolidated companies

Purchase price payments for consolidated investments²⁾

Investments in financial assets

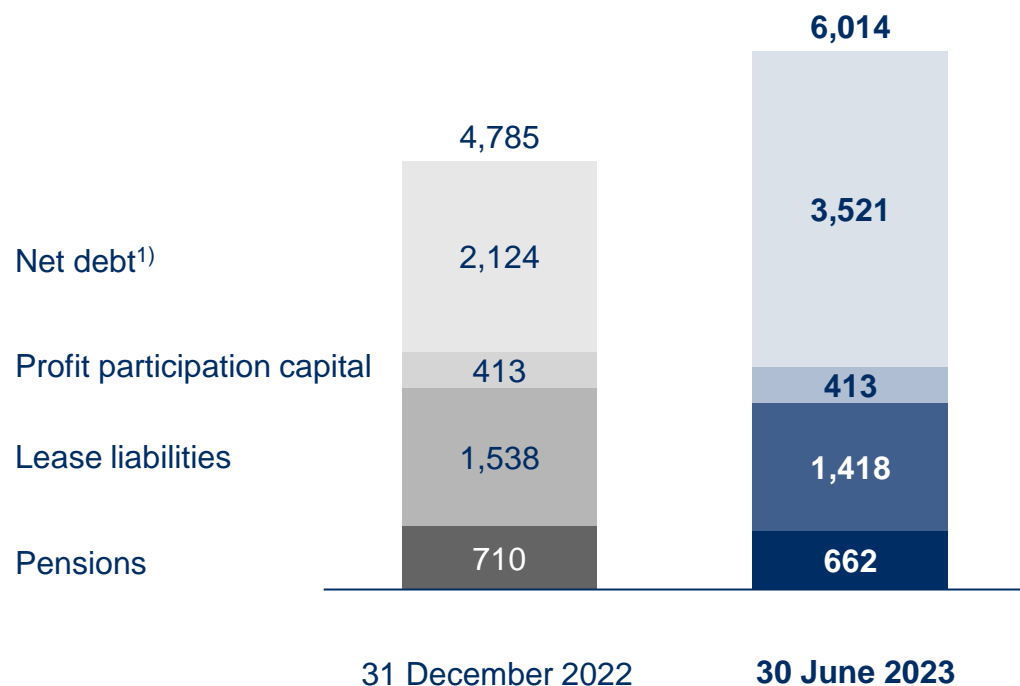
CAPEX



1) According to cash-flow statement including change in equity 2) Taking into account net financial debt assumed

Financial status (I/II) – Higher net financial debt, Leverage Factor well below limit

Economic debt, in € millions



Leverage factor

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



Equity ratio

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



Credit rating

MOODY'S
INVESTORS SERVICE

Baa2, outlook: stable

S&P Global
Ratings

BBB, outlook: stable

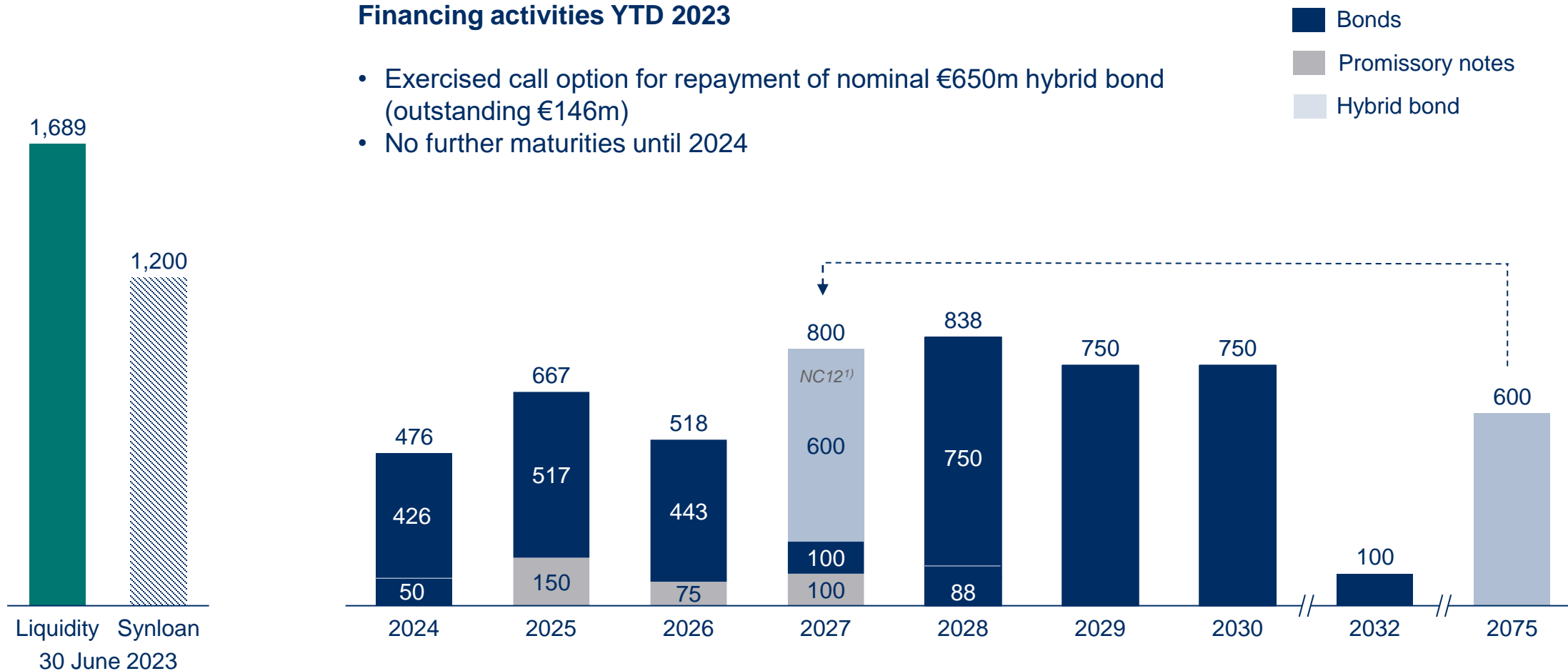
1) Less investment in special fund (until FY 2022) 2) After modifications

Financial status (II/II) – Long-term oriented maturity profile, no further maturity in 2023

in € millions

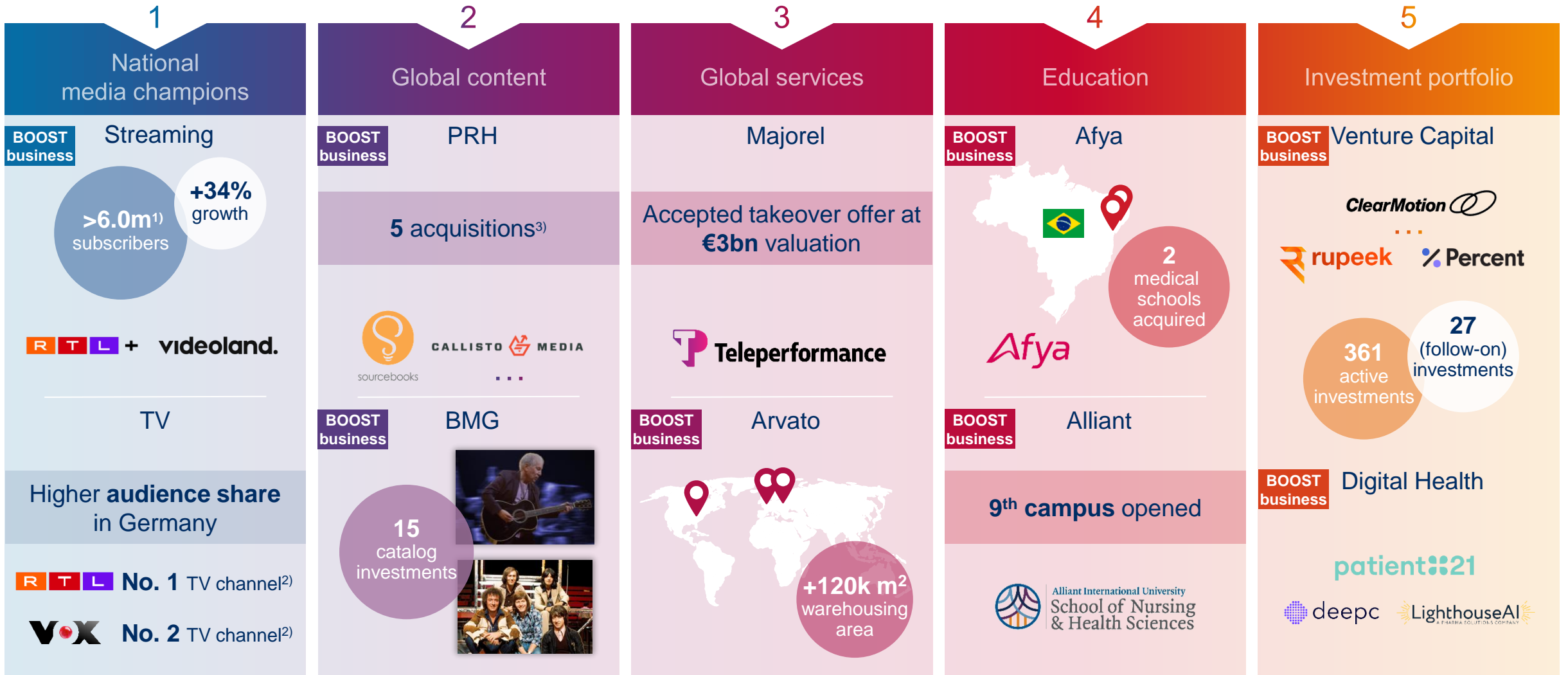
Financing activities YTD 2023

- Exercised call option for repayment of nominal €650m hybrid bond (outstanding €146m)
- No further maturities until 2024



1) Indication of first call date, for illustrative purposes only

Group strategy implementation – Significant progress along all priorities in H1 2023



1) Paying subscribers as of June 30, 2023 2) Regarding main commercial target group 3) Incl. share increases

Summary and outlook – Revenue outlook narrowed, earnings outlook confirmed

Key developments H1 2023

- Revenues increased to €9.7bn
- Operating EBITDA on a high level
- Further progress in implementing Boost strategy

Outlook FY 2023

- Moderate revenue increase¹⁾
- Stable Operating EBITDA¹⁾
- Continued Boost initiatives

1) Before any possible effects of the planned sale of the Majorel shares



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Q&A Session

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