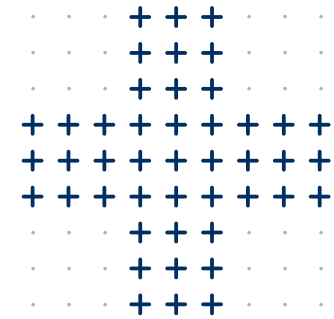


# Financial year 2019

March 24, 2020



# Successful financial year 2019 – Operating profit at record level, significant progress in strategy implementation

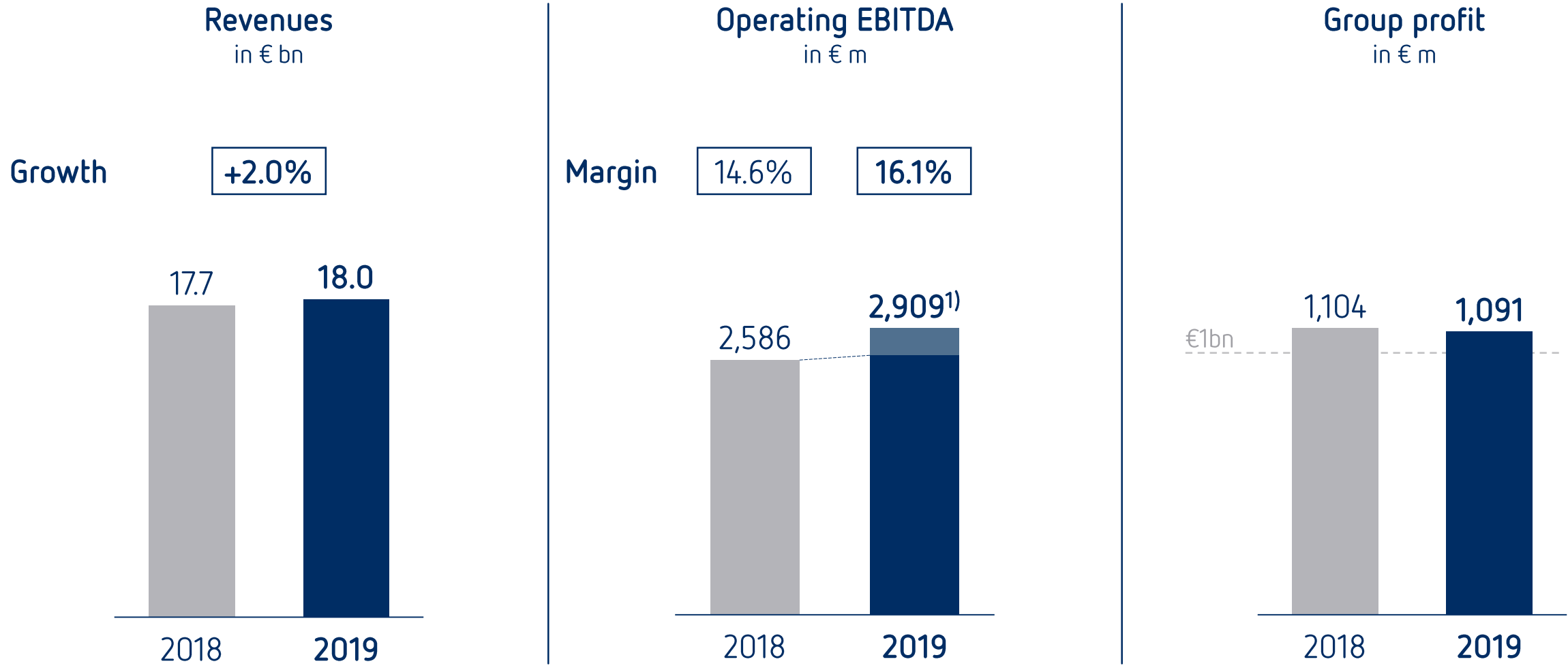
## Business performance

- Increase in **revenues** to **€18.0bn**, digital share >50%
- **Operating EBITDA** of €2.9bn at **record level**
- **Group profit above €1bn** for the fifth consecutive time

## Strategy implementation

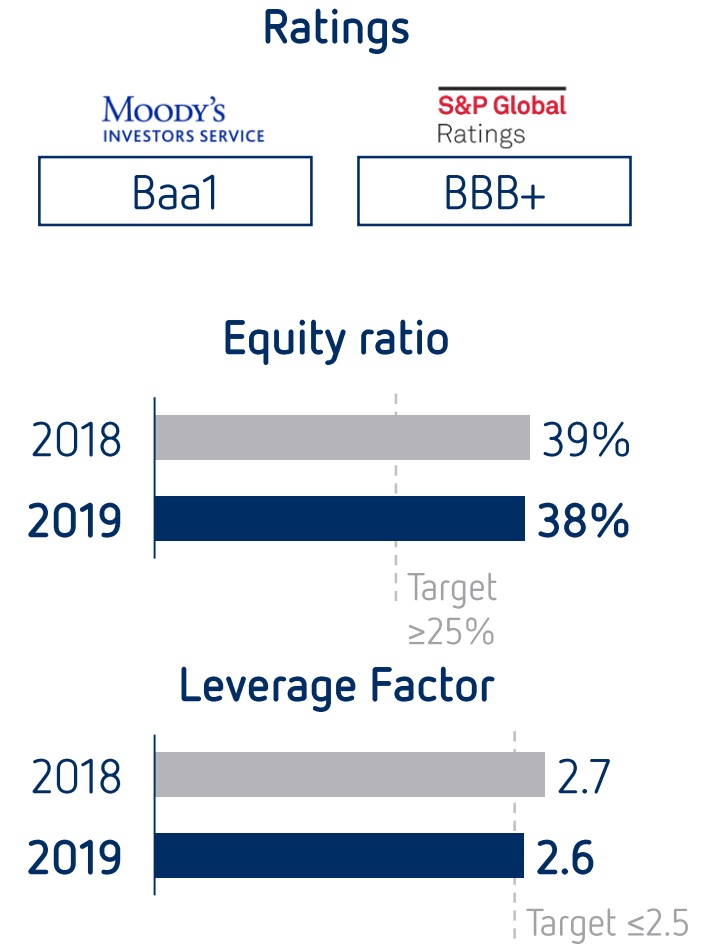
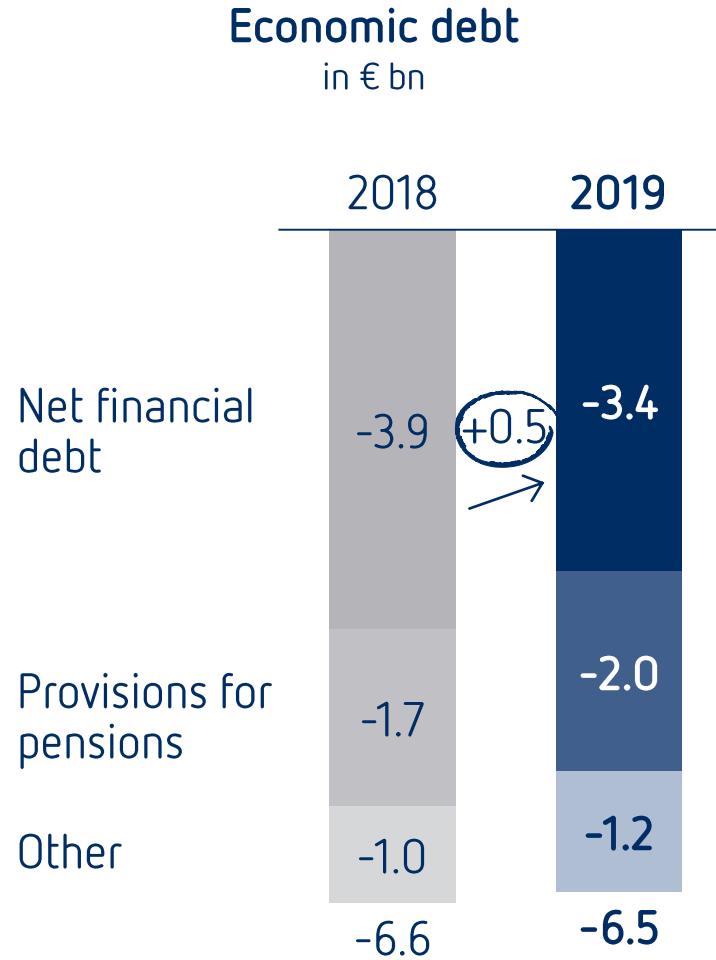
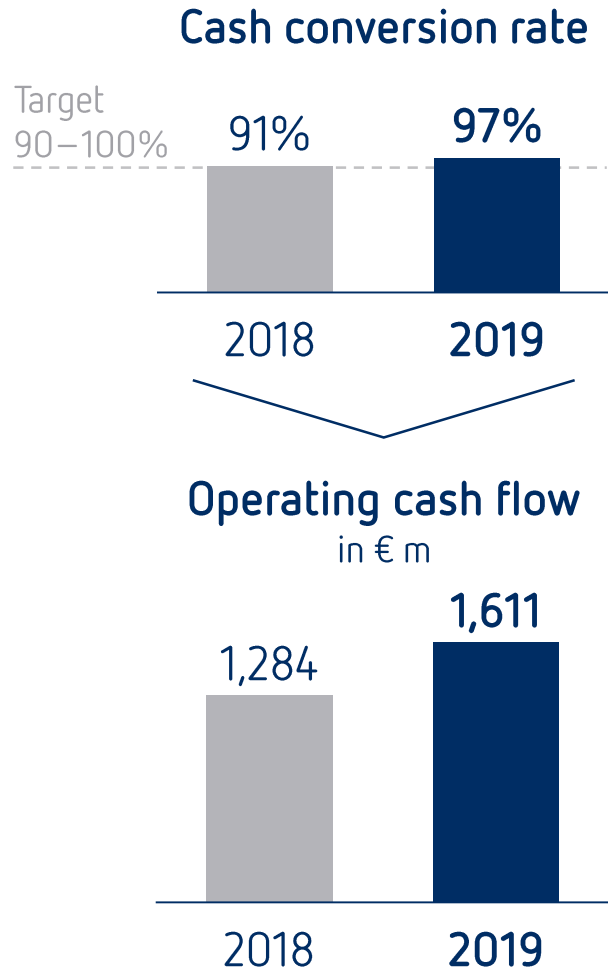
- **Core businesses strengthened**, i.a. through agreed **complete acquisition of Penguin Random House** and start of the **Bertelsmann Content Alliance**
- **Growth platforms expanded primarily organically (+7%)**

# Group key figures – Revenues of €18bn, operating EBITDA of €2.9bn at record level



1) Before new accounting standard IFRS 16 "Leases" (estimate): €2,634m

# Financial position – Improved cash flow, significant reduction of net financial debt



# Group strategy – Significant strategic progress in 2019

1

## Strengthening the core

Foundation  
Majorel

Agreed  
complete acquisition  
Penguin Random House

2

## Digital transformation

Implementation **data**  
and **technology** agenda

Expansion **video on demand**  
and **ad tech** offerings

3

## Growth platforms

Organic  
growth

RTL  
GROUP Digital

Fremantle

G+J  
Digital

BMG

arvato  
BERTELSMANN  
Financial Solutions

arvato  
BERTELSMANN  
Supply Chain Solutions

Bertelsmann  
Education Group

BI Bertelsmann  
Investments

4

## Growth regions

Expansion **book publishing**  
**business** organically and  
through acquisitions

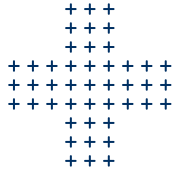
Fund investments and  
initial public offering **Afya**

**B**

Collaboration in the areas of  
content, advertising and technology

# Building alliances – Collaboration in the areas of content, advertising, and technology

# B



## Content



Creation and distribution of **content** across all media genres  
Including **8,000 creative minds**



## Advertising



Joint **advertising marketing**  
Reaches **99%** of the  
**German population**



## Technology



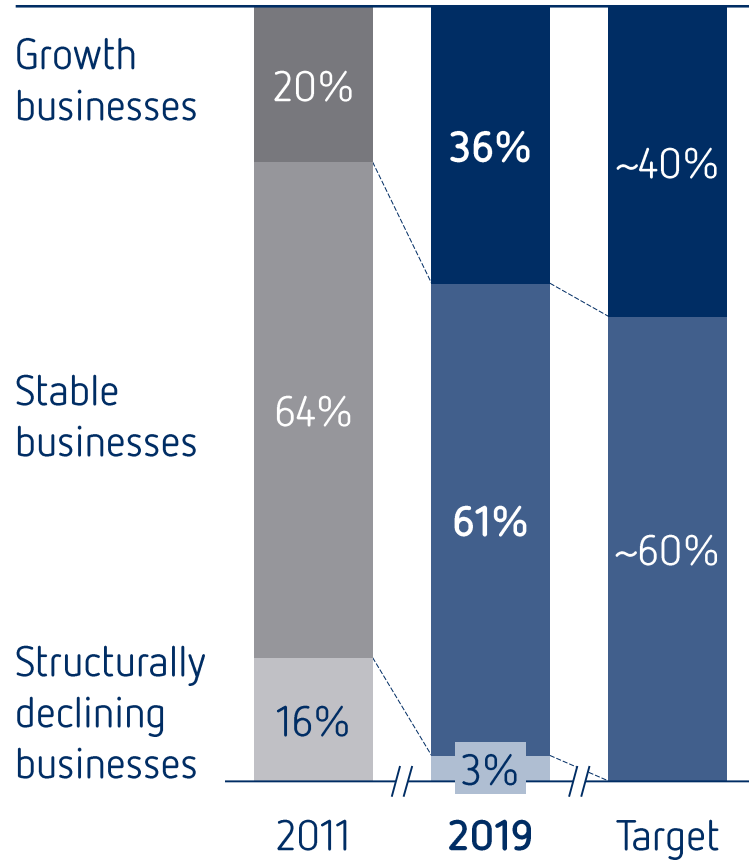
Group-wide bundeling of **resources** and **know-how**  
Pursue of a coordinated  
**tech agenda**



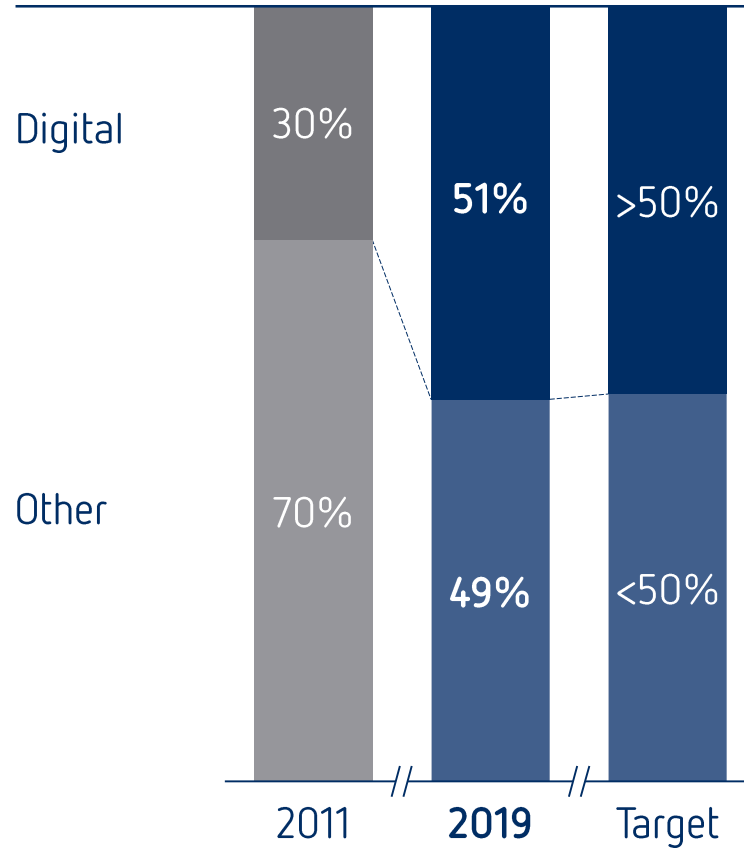
# Target portfolio – Digital share above 50 percent for the first time

Share of Group revenues in %

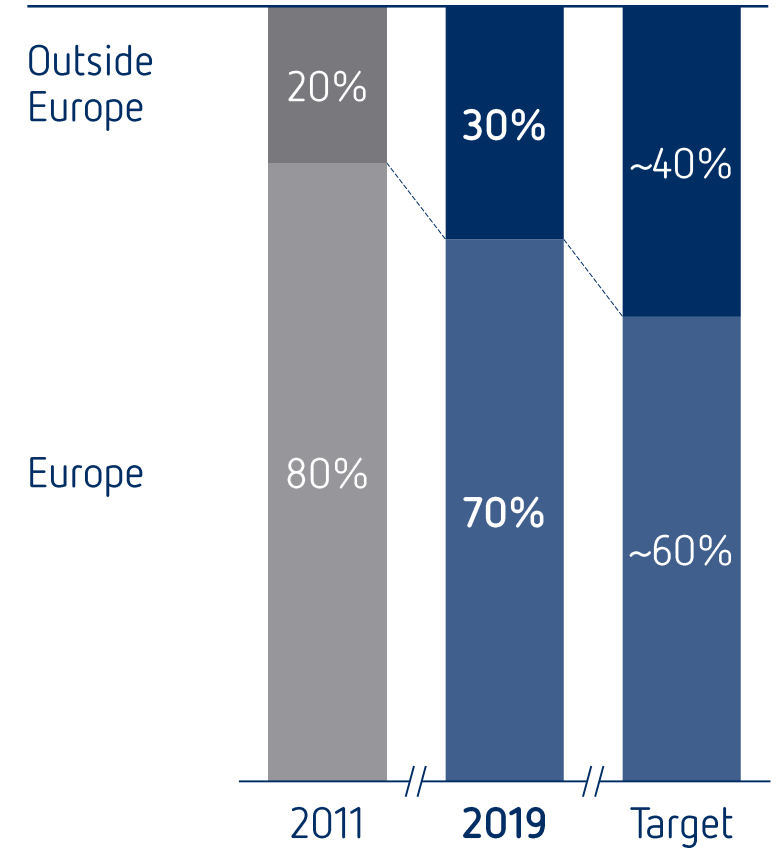
## Higher growth



## More digital



## More international



# Impact Coronavirus – Bertelsmann well positioned in crisis

## Strong starting position

Strong **balance sheet**/  
high **liquidity reserves**

Businesses with **strong**  
**market position**

High share of **digital**  
**business models**

## Active crisis management

Clear **Group-wide**  
**guidelines**, esp. for  
protection of employees

**Mitigation** at all levels

Close **monitoring** of  
**business** and **financial**  
**development**

## Positive developments



Increase in **audience ratings**;  
high **need for information**



Growing **use of books**, esp. digital  
formats (e-books, audiobooks)



Increased use of **online offerings**



Intensified use of **music streaming**



In part increasing **demand**



Higher demand for **online learning**  
**offerings**



# Impact Coronavirus – Media businesses gain social relevance



Increase **viewer** by 4% and **viewing time** by 6% since start of crisis<sup>1)</sup>



**Doubled market share<sup>1)</sup>** and **market leadership** at information channels



Increase in **sales** and **new subscriptions**



**Content businesses set example by jointly fighting against Corona**



Media industry in coronavirus pandemic increasingly socially and systemically relevant

Part of critical infrastructure, continuity absolutely necessary

1) Time period 12.03.-16.03.2020 compared to 13.02.-11.03.2020

# Financial year 2019

March 24, 2020

