

PRESS RELEASE

Bertelsmann Increases Growth in First Quarter of 2024

- **Organic revenue growth of 3.6 percent**
- **Progress across all strategic priorities**
- **Full-year forecast confirmed**
- **Thomas Rabe: “Bertelsmann has gotten off to a good start in fiscal 2024.”**

Gütersloh, May 8, 2024 – Bertelsmann reported a gratifying business performance in the first quarter of 2024. Before portfolio and currency effects, and excluding effects from the closure of the gravure businesses, the international media, services and education company continued its growth trajectory, achieving organic growth of 3.6 percent. The largest contributions came from RTL Group’s TV and streaming businesses, BMG, Arvato Group’s services businesses, the Education Group, and Bertelsmann Investments. Group revenues decreased by 9.0 percent to €4.3 billion (prior-year quarter: €4.8 billion) due to the sale of the stake in the customer experience company Majorel.

Bertelsmann Chairman & CEO Thomas Rabe commented: “Bertelsmann has gotten off to a good start in fiscal 2024, and is once again experiencing stronger growth from within. In the coming months, we will further increase the growth momentum through our Boost investments. By the end of 2026, we will invest five to seven billion euros as part of our Boost strategy, and will also expand our businesses as part of Next, Breakout and Regional Boost. We confirm our forecast for the current year.”

Highlights from the divisions:

RTL Group, including RTL Nederland, achieved organic revenue growth of 3.9 percent in the first quarter of 2024, mainly due to a 10.0 percent increase in advertising revenues, and continued strong growth in streaming revenues. RTL Deutschland significantly increased its audience and TV advertising market shares among the advertisers’ preferred demographic. The number of paying subscribers for its streaming services RTL+ in Germany and Hungary and M6+ in France, increased by 24.2 percent year-on-year, to six million as of March 31, 2024. Fremantle acquired the production companies Asacha Media Group and Beach House.

Penguin Random House (PRH) was driven by strong new titles and backlist bestsellers, including Ashley Easton’s “First Lie Wins,” which has sold more than a half-million copies since January, James Clear’s long-selling “Atomic Habits,” and Peter Attia’s “Outlive” and “The Heaven & Earth Grocery Store” by James McBride. International bestsellers included “The Anxious Generation” by Jonathan Haidt, and the posthumous publication of Gabriel García Márquez’s novel “En Agosto Nos Vemos / Until August”, which PRH publishes worldwide in English and Spanish. In April, PRH announced that it will publish the memoirs of Alexei Navalny this fall.

BMG recorded strong growth in its publishing and recorded music businesses, as well as in its core U.S. and U.K. markets. The company restructured its organization to be “global where possible, local where necessary.” BMG increased its visibility in the Eurodance genre by acquiring a package of rights from Dr. Alban.

Arvato Group reported a significant revenue decline following the sale of the Majorel stake in November 2023. The remaining service businesses all grew. In February, Arvato opened a new distribution center in Louisville (USA), with around 90,000 square meters of space.

Bertelsmann's direct marketing and printing businesses, which are bundled in **Bertelsmann Marketing Services**, experienced declining demand in some areas. The closure of the Prinovis site in Ahrensburg at the end of January 2024 marked the final exit from gravure printing.

Bertelsmann Education Group reported strong growth. Afya, the leading provider of medical education and training in Brazil, significantly increased the number of medical students compared to the same period last year. Relias continued the expansion of its digital continuing education platform for healthcare professionals in the U.S. and German markets. Alliant International University welcomed the first students to its newly opened Phoenix campus for nursing and health sciences. In addition, Accenture's acquisition of Udacity, including the sale of the Bertelsmann Education Group's Udacity stake, was announced in March 2024.

Bertelsmann Investments (BI) had 367 investments worldwide as of March 31, 2024, having made 13 new and follow-on investments in the first quarter. Among others, Bertelsmann India Investments (BII) led the financing round for the startup Rozana, an e-commerce platform for rural trade in India. In addition, BI expanded its growth unit Bertelsmann Next, in particular the Digital Health, Pharma Tech and HR Tech businesses. In February, BI acquired the pharma tech company EXTEDO for a double-digit million euro amount.

Rolf Hellermann, Bertelsmann's Chief Financial Officer, commented: "We had a good first quarter. Bertelsmann has a solid financial position and benefits from its broad positioning. For the full year 2024, we expect a significant decline in revenues and earnings due to the already-completed sales of Majorel and DDV Mediengruppe, and the planned sale of RTL Nederland. We continue to expect a moderate increase in revenues and earnings from ongoing operations."

About Bertelsmann

Bertelsmann is a media, services and education company with more than 80,000 employees that operates in about 50 countries around the world. It includes the entertainment group RTL Group, the trade book publisher Penguin Random House, the music company BMG, the service provider Arvato Group, Bertelsmann Marketing Services, the Bertelsmann Education Group and Bertelsmann Investments, an international network of funds. The company generated revenues of €20.2 billion in the 2023 financial year. Bertelsmann stands for creativity and entrepreneurship. This combination promotes first-class media content and innovative service solutions that inspire customers around the world. Bertelsmann aspires to achieve climate neutrality by 2030.

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Bertelsmann online



Enquiries:

Bertelsmann SE & Co. KGaA

Jan Hölkemann

Spokesperson / Communications Content Team

Phone: +49 5241 80-89923

jan.hoelkemann@bertelsmann.de