

PRESS RELEASE

Bertelsmann Grows Group Profit by 60 percent to €416m in First Half of 2024, Raises Full-Year Forecast

- **Organic revenue growth of 3.7 percent**
- **Adj. Operating EBITDA at previous year's level of €1.2 billion, up 14 percent year-on-year when adjusted for sale of Majorel**
- **U.S. businesses account for highest revenue share for the first time**
- **€1 billion invested in Boost strategy in first half of the year**
- **Forecast for full year raised**

Gütersloh, August 28, 2024 – Bertelsmann grew dynamically in the first half of 2024, and expects to report an overall positive business performance for the full year. The international media, services, and education company's revenues were below the previous year's record level due to portfolio-related factors. At €1.2 billion, the operating result (adjusted Operating EBITDA) remained at the previous year's level despite the sale of Majorel; adjusted for the sale, it increased by 14 percent. Group profit rose to €416 million. Boost investments totaled €1 billion in the first half of 2024 alone.

Bertelsmann's **Group revenues** decreased by 7.5 percent year-on-year to €9.0 billion (H1 2023: €9.7 billion). This was due to the sale of Majorel last November. For the first time in Bertelsmann's history, the U.S. businesses contributed with 28.4 percent the highest share to total revenues. Overall organic revenue growth amounted to 3.7 percent (H1 2023: 2.3 percent), to which almost all divisions contributed.

Adjusted **Operating EBITDA** was €1,249 million (H1 2023: €1,275 million). Penguin Random House, BMG, Bertelsmann Marketing Services, Bertelsmann Education Group, and Bertelsmann Investments achieved double-digit earnings growth, thanks in part to the Group-wide Boost investments.

Group profit increased by 60 percent to €416 million (H1 2023: €260 million), and was therefore significantly higher than the previous year's figure.

Bertelsmann Chairman & CEO Thomas Rabe said: "We are very satisfied with our performance in the first six months of 2024. At 3.7 percent, Bertelsmann's organic growth was again much stronger. Our operating result from continuing operations grew at a double-digit rate. The Boost program continues to run at full speed – we invested around €1 billion in the first half of the year alone, and almost €5 billion since the start of the program. For the first time the Group generated the highest share of its revenues in the United States."

During the first six months of the current financial year 2024, Bertelsmann made the following progress in the five growth priorities of its corporate strategy:

National Media Champions

The streaming services RTL+ in Germany and Hungary and M6+, previously 6play in France, continued their dynamic growth. The number of paying subscribers increased by 25 percent to 6.3 million; streaming revenues rose by 42 percent to €185 million (H1 2023: €130 million). In the first half of the year, RTL Deutschland was the only commercial broadcaster in Germany to increase its share of the advertisers' preferred target audience of 14- to 59-year-olds. In June and July, RTL Deutschland and Groupe M6 broadcast UEFA EURO 2024 matches that gave them high audience reach on linear television and streaming. In March, Groupe M6 announced its acquisition of the exclusive television rights for most of the matches of the 2026 and 2030 FIFA World Cups. Shortly after the end of the first half of 2024, on July 29, the companies in the Bertelsmann Content Alliance in Germany launched a joint initiative with the tagline "*Mein Grund für Zuversicht*" (Why I'm confident [about the future]). The aim is to promote social cohesion.

Global Content

In the first half of the year, Fremantle expanded its business with the full acquisition of Asacha Media Group, and an 80-percent stake in Beach House Pictures, one of Asia's largest independent TV and production companies. Fremantle won a total of 114 awards, including Academy Awards (Oscars), Golden Globes, BAFTA Awards and Golden Lions. In January, Penguin Random House completed its acquisition of Hay House, a leading publisher of wellness and self-help titles in the U.S., and further increased its stake in the fast-growing U.S. publisher Sourcebooks. A number of Penguin Random House authors were honored in the first half of the year, including Jayne Anne Phillips and Cristina Rivera Garza with the 2024 Pulitzer Prize and Dave Eggers with the 2024 Newbery Medal, the foremost annual award for children's literature in the U.S.

BMG made ten catalog acquisitions, bringing its total investment since 2021 to around €900 million. The music division also signed well-known artists and songwriters, including Mustard, YG, New Kids on the Block, and The Script in the Recordings business, and Cirque du Soleil, KT Tunstall, and Tyron Hapi in Publishing.

Global Services

In the first six months of the year, Arvato Group's logistics business acquired new clients from various industries, and renewed existing customer contracts, some of them on a long-term basis. In the Dutch city of Echt, Arvato acquired a large site on which a new logistics property will be built in the months ahead to handle future major orders. Arvato also invested in automation and robotics technology and implemented innovative robotic solutions at its Louisville (Kentucky), Dortmund, Venlo and Hanover sites, e.g. Riverty signed new partnerships with fellow financial services providers Adyen and Mollie, and will supplement their payment methods with its "Buy now, pay later" service from now on. At the beginning of the year, Riverty's "Buy now, pay later" solution won the E-Commerce Germany Award 2024 in the "Best Payment Solution" category. The IT services provider Arvato Systems has concluded new customer contracts since the beginning of the year and expanded existing partnerships with a focus on the healthcare industry. As one example, the company won the AOK-Bundesverband tender for the further development of "aok.de". The market environment for Bertelsmann Marketing Services remained difficult in the first half of 2024, characterized by an overall decline in demand for print products, and a wait-and-see attitude on the part of advertising customers with regard to marketing services.

Education

The Bertelsmann Education Group further increased its stake in the listed education company Afya, a leading medical education group in Brazil. The acquisition of Unidom Participações S. A., which was agreed in June, and completed in early July, has enabled Afya to expand its presence in northeastern Brazil, increasing the number of medical students in its programs by around 900 to more than 22,600. Relias expanded its digital offerings for the further training of healthcare professionals. Alliant University saw a significant increase in enrollment in its mental health programs (marriage and family counseling, clinical counseling, master's in social work). The School of Nursing and Health Sciences in Phoenix, Arizona, the ninth Alliant campus, also opened at the beginning of the year.

Investments

Bertelsmann Investments (BI) made 15 new and 15 follow-on investments in the first half of the year through its four venture capital funds and the Bertelsmann Next unit. Since its launch in 2006, BI has invested a total of around €1.9 billion in companies and funds. Capital returns in the same period have amounted to around €1.4 billion. Its active portfolio consists of 374 investments worldwide. In the pharma tech sector, Extedo, a leading provider of software solutions and services in the field of regulatory information management, was acquired. The mobile ad tech company Applike more than doubled its revenues, in particular through the development and expansion of its U.S. business. Bertelsmann Asia Investments further expanded its investments in Stori, Mexico's leading digital bank, with a valuation of more than €1 billion, and in the augmented reality service provider Viture.

Rolf Hellermann, Bertelsmann's Chief Financial Officer, commented: "Bertelsmann continues to expect an overall positive business performance for the full year. We are raising our Group forecast for 2024, and expect to see a significant increase in revenues and earnings in our continuing operations. Due to the already completed sales of Majorel and DDV Mediengruppe, we expect a moderate decline in revenues and earnings."

Thomas Rabe continues: "Since 2021, we have already invested €4.8 billion in our Boost strategy. As announced, we will invest a total of five to seven billion euros from 2021 to 2026 to take Bertelsmann to an even higher level of revenues and earnings."

Figures at a glance (in € millions)

| in € millions | H1 2024 | H1 2023 |
|--|--------------|--------------|
| Group revenues | 8,975 | 9,705 |
| Adj. Operating EBITDA of the divisions | 1,330 | 1,353 |
| Corporate/Consolidation | -81 | -78 |
| Adj. Operating EBITDA | 1,249 | 1,275 |
| EBIT (earnings before interest and taxes) | 680 | 509 |
| Financial result | -120 | -158 |
| Earnings before taxes | 560 | 351 |
| Income tax expense | -144 | -91 |
| Group profit | 416 | 260 |

| | | |
|---|--------------|------------|
| Economic investments¹ | 1,013 | 842 |
|---|--------------|------------|

| | As of 30 Jun 2024 | As of 31 Dec 2023 |
|----------------------|----------------------|----------------------|
| Economic debt | 6,072 | 4,713 |

| Division | Group Revenues | | Adj. Operating EBITDA | |
|--------------------------------------|----------------|--------------|-----------------------|--------------|
| | H1 2024 | H1 2023 | H1 2024 | H1 2023 |
| in € millions | | | | |
| RTL Group | 3,174 | 3,109 | 372 | 376 |
| Penguin Random House | 2,276 | 2,098 | 291 | 258 |
| BMG | 459 | 414 | 122 | 90 |
| Arvato Group | 1,867 | 2,873 | 321 | 473 |
| Bertelsmann Marketing Services | 538 | 689 | 15 | 8 |
| Bertelsmann Education Group | 470 | 430 | 180 | 141 |
| Bertelsmann Investments ² | 300 | 205 | 30 | 7 |
| Total Divisions | 9,084 | 9,818 | 1,330 | 1,353 |
| Corporate/Consolidation | -108 | -113 | -81 | -78 |
| Total Group | 8,975 | 9,705 | 1,249 | 1,275 |

In some cases, rounding may result in individual values not adding up to the total shown.

¹After accounting for the financial liabilities assumed and purchase price payments for increases in shares in subsidiaries already fully consolidated.

²The venture capital organizations of Bertelsmann Investments are mainly managed on the basis of EBIT. Bertelsmann Investments' EBIT was €72 million (H1 2023: €-36 million).

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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