

Bertelsmann

Annual Results 2024

Investor Conference Call

March 31, 2025

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

Bertelsmann FY 2024 – Highlights and key topics

- 1 Performance:** Revenues of €19bn | Operating EBITDA adjusted stable at €3.1bn | Group profit above €1 billion mark
- 2 Financial position:** Leverage factor at 2.0x, well below limit | Maturity profile well balanced | Solid liquidity
- 3 Cash flow:** Higher level of operating cash flow | Cash conversion improved | Lower increase of net working capital in underlying business
- 4 Strategy:** National media champions | Global content | Global services | Education | Investments
- 5 Boost and Boost +:** Strategy to accelerate growth | Boost investments since 2021 totaling €5.4bn
- 6 Portfolio:** Profitable growth, digital, international, diversified | Improved portfolio quality through organic + acquisitive expansion
- 7 Outlook 2025:** Market uncertainties remain | Robust portfolio | Moderate revenue and earnings increase

Group key figures – Revenue of €19bn, Operating EBITDA adjusted at previous year's level despite negative portfolio effects, Group profit below previous year

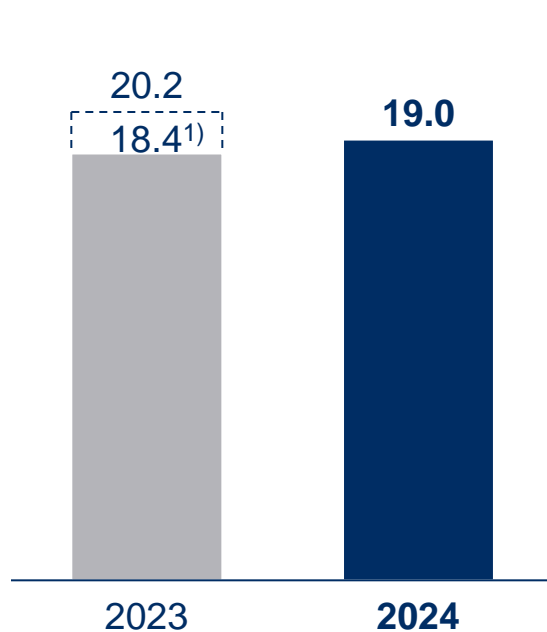
Revenues, in €bn

Reported

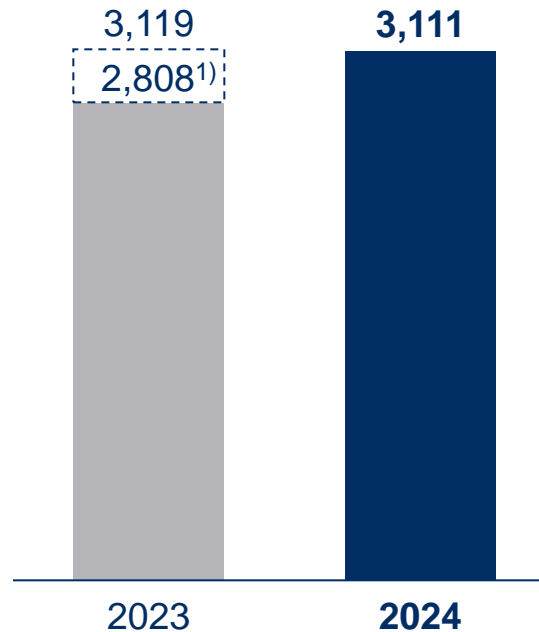
-5.9%

Organic

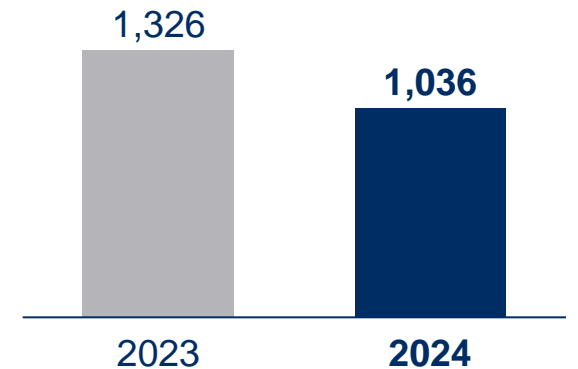
+3.3%



Operating EBITDA adjusted, in €m



Group profit, in €m



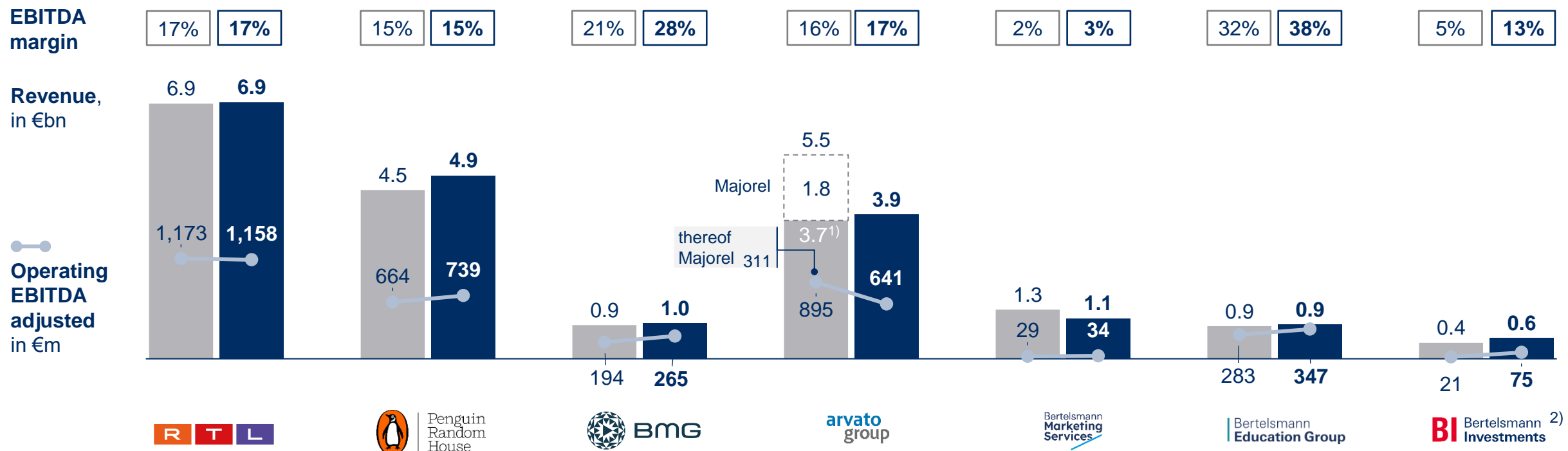
1) Excluding Majorel

Divisions – Organic revenue growth in most divisions largely accompanied by improved EBITDA margins

■ 2023 ■ 2024

Revenue growth compared to previous year

Reported	+0.5%	+8.5%	+6.4%	-29.3%	-17.4%	+5.5%	+30.4%
Organic	-1.1%	+7.8%	+8.1%	+3.7%	-17.4%	+9.6%	+59.5%



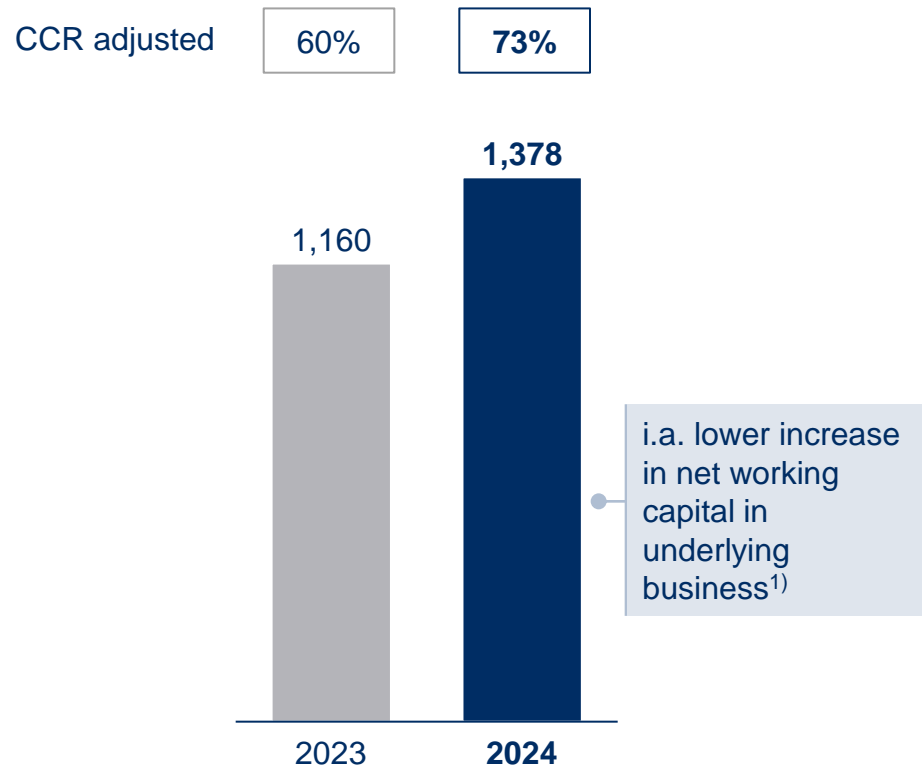
1) Excluding Majorel 2) The business development of the venture capital business of Bertelsmann Investments is determined primarily on the basis of EBIT. EBIT of Bertelsmann Investments amounted to €85 million (previous year: €-219 million).

Group profit – Below previous year's level primarily due to lower capital gains

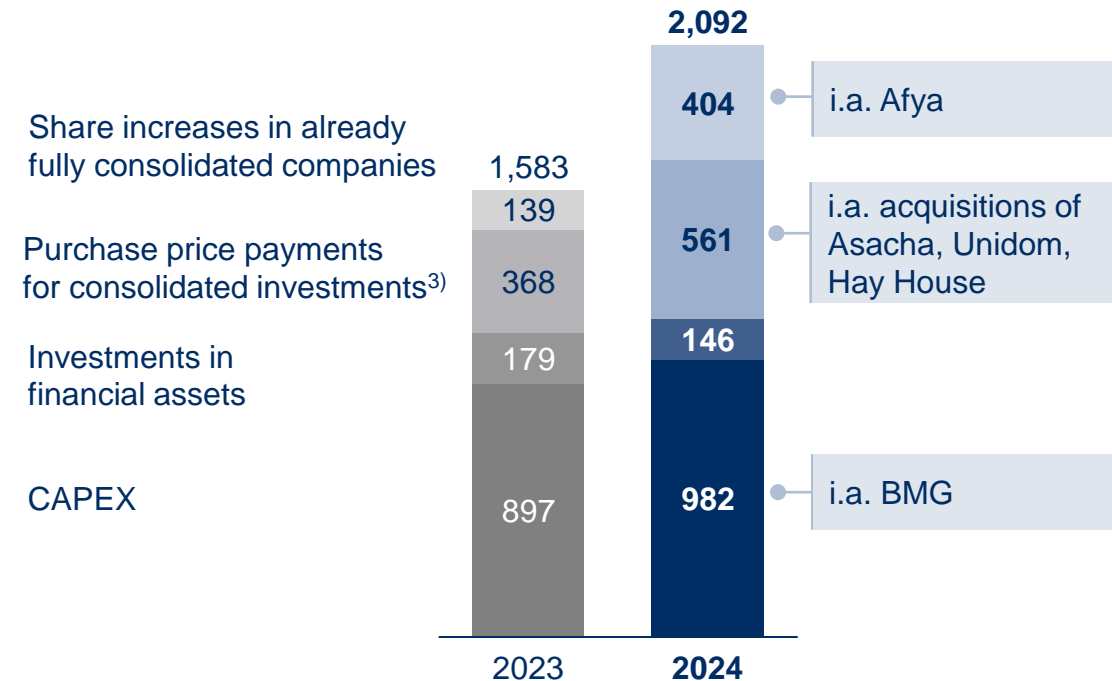
in €m	2023	2024	Change	Comment
Operating EBITDA adjusted	3,119	3,111	-8	Despite negative portfolio effects at previous year's high level
Depreciation and amortization	-1,131	-1,137	-6	
Reorganization/other adjustments	-549	-252	+297	Decline of reorganizations costs
Impairments/reversals	-42	-7	+35	
Capital gains/losses and FV remeasurements	502	-18	-521	Capital gain from Majorel disposal in 2023
Special items	-88	-277	-189	
EBIT	1,899	1,697	-202	
Financial result	-337	-255	+82	Improved results from put options
Income taxes	-237	-406	-169	Valuation effects of deferred taxes
Group profit	1,326	1,036	-290	

Further Group key figures – High operating cash flow, lower increase in net working capital in underlying business, level of investment above previous year

Operating free cash flow adjusted, in €m



Total investments²⁾, in €m

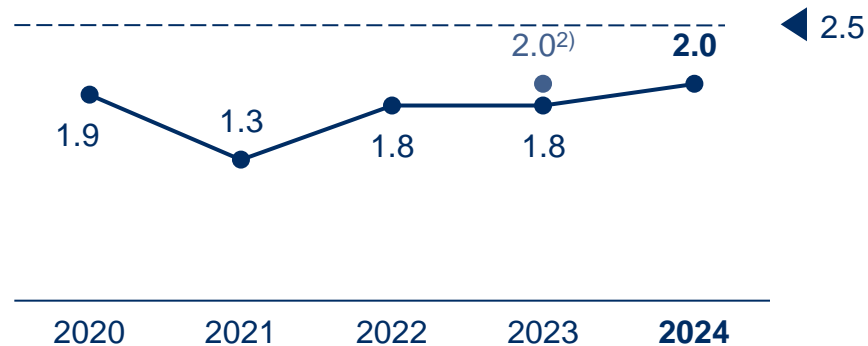


1) Without Boost investments and one-offs such as restructuring 2) According to cash flow statement including change in equity 3) Taking into account financial debt assumed

Financial status (1/2) – Leverage factor below limit, increase of Net debt due to high investment level

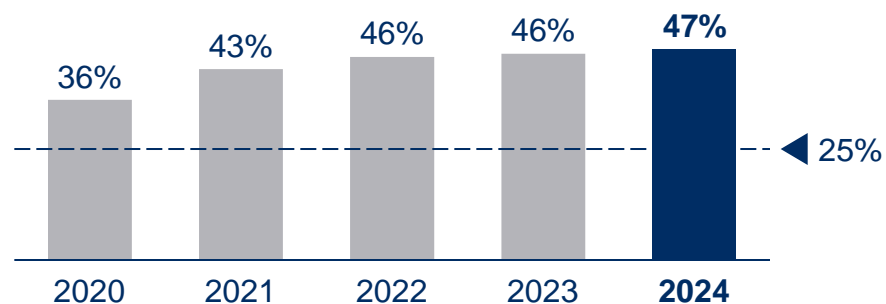
Leverage factor ≤ 2.5

$\frac{\text{Economic debt}^{1)}}{\text{Operating EBITDA adjusted}^{1)}}$

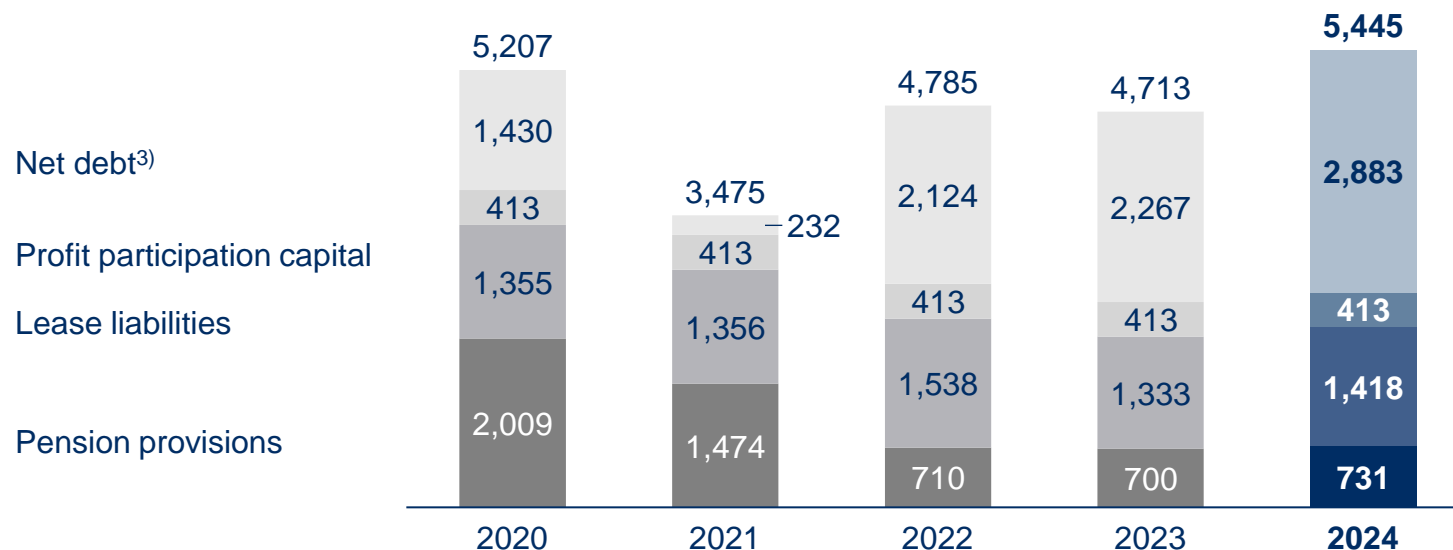


Equity ratio $\geq 25\%$

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



Economic debt, in €m



Credit rating

MOODY'S
INVESTORS SERVICE

Baa2, outlook: stable

S&P Global
Ratings

BBB, outlook: stable

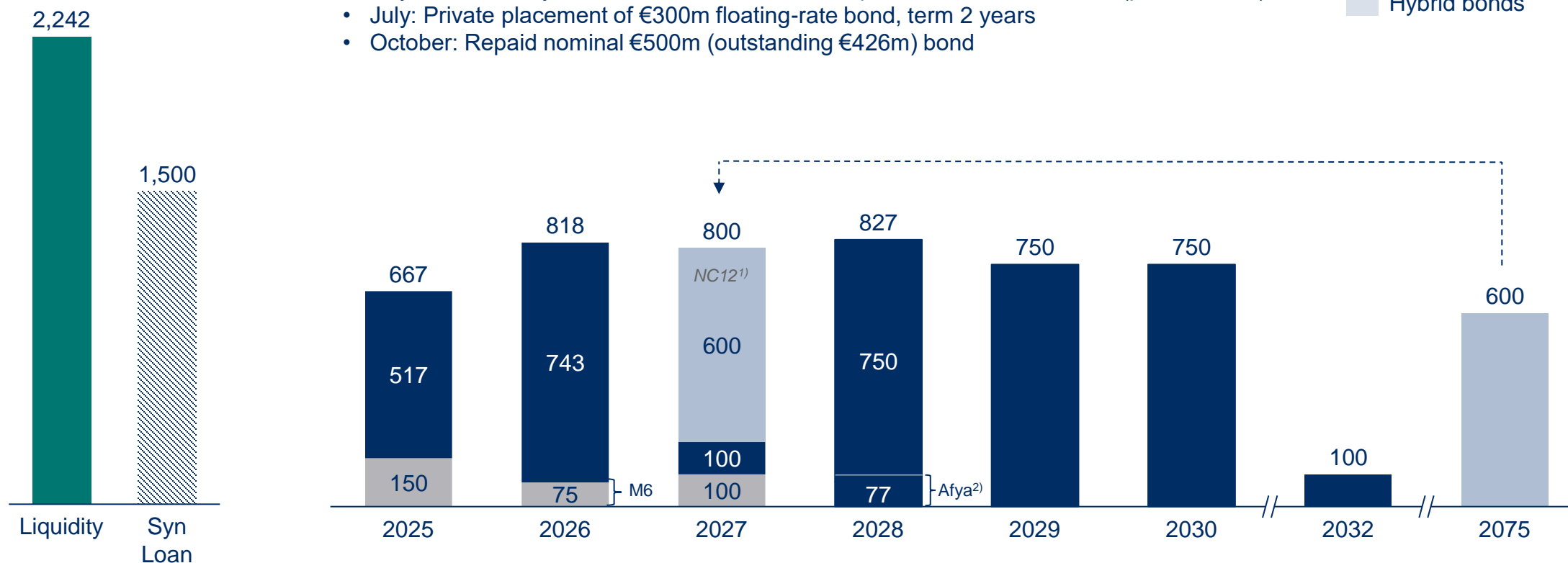
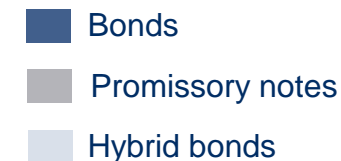
1) After modifications 2) Without operating EBITDA adjusted contribution of Majorel 3) Less 50% par value of hybrid bonds (until FY 2021) and less investment in special fund (until FY 2023)

Financial status (2/2) – Reasonable refinancing volumes, long-term oriented maturity profile

in €m

Financing activities FY2024

- April: Launched debt issuance program with a maximum total volume of €5bn
- July: Renewed Syn loan with a term until 2029 up to an amount of €1.5bn (prior: €1.2bn)
- July: Private placement of €300m floating-rate bond, term 2 years
- October: Repaid nominal €500m (outstanding €426m) bond



31 December 2024

1) Indication of first call date, for illustrative purposes only 2) As of 31 Dec 2024 (BRL500m of which BRL250m maturing in 2027)

Group strategy – Boost and Boost+ strategy to accelerate growth



Strategic progress via Boost (1/2) – National media champions and global content

1

National media champions

Only major German private broadcaster with market share gains¹⁾



Expanded streaming



8.4m²⁾ subscribers

+21% growth



videoland.

Strengthened program grid



2

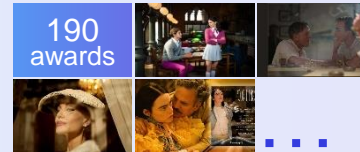
Global content

Fremantle

Acquisitive expansion



Creative successes



Creative successes



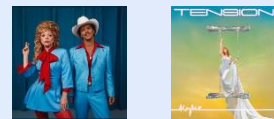
Nobel prize for literature

Title boost

>750m books³⁾ sold



Chart successes



& new signings










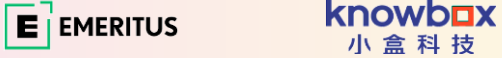




Record investments

€~0.5bn for catalog acquisitions and signings

„Die with a smile“ „Tension II“ Blake Shelton K. Michelle

1) Viewer market share in key target group (14-59 years) 2) Paying subscribers RTL+ DE, RTL+ HU, M6+ and Videoland; as of December 31, 2024 3) Including ebooks and audiobooks

Strategic progress via Boost (2/2) – Global services, education and investments

		3 Global services	4 Education	5 Investments
		<p>arvato</p> <p>Initiated acquisitive expansion</p>  <p>Continued organic expansion</p>  <p>New distribution center in the Netherlands</p>	<p>RELIAS</p> <p>Acquisitive expansion</p>  <p>Numerous awards</p> 	<p>BI Bertelsmann Investments</p> <p>Expanded global fund network</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="1814 645 2018 839"> <p>379 active participations</p> </div> <div data-bbox="2018 645 2221 839"> <p>58 new and follow-on investments</p> </div> </div> 
		<p>FIVERTY</p> <p>New partnerships with Adyen and Mollie</p> 	<p>Afya</p> <p>Further expansion</p> 	<p>Shareholding in world's leading edtech companies</p> 
		<p>AS ARVATO SYSTEMS</p> <p>Agreed on partnership for sovereign cloud in Germany</p> 	<p>>24,000 medical students</p> 	 

Summary and outlook – Successful year 2024; moderate revenue and earnings increase expected for 2025

Key developments

2024

- Revenue of €19.0bn with organic growth at 3.3%
- Operating EBITDA adjusted on prior year level of €3.1bn despite sale of Majorel
- Group profit €>1.0bn
- €1.8bn Boost investments

Outlook

2025

- Moderate revenue (4-5%) and earnings increase
- Further progress along strategic growth priorities
- Continued Boost and Boost+ investments (€~8bn until end of 2026)

Q&A Session

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