

PRESS RELEASE

Bertelsmann Starts FY 2021 with Ten Percent Revenue Growth in Q1

- **Group revenues increase to over 4.2 billion euros in Q1 2021**
- **Organic sales growth seven percent above 2019 pre-Corona levels and ten percent above prior year 2020**
- **Strategic progress across all eight business divisions**
- **Full-year forecast for 2021 confirmed**

Gütersloh, May 6, 2021 – Bertelsmann has made a successful start to 2021, reporting quarterly revenues that are significantly above both its pre-Corona level in 2019 and the previous year 2020. Group revenues increased organically by around ten percent to €4.2 billion (prior-year quarter: €4.1 billion) and by seven percent compared to the pre-Corona year. At the same time, the operating margin also improved. The Group’s publishing division Penguin Random House, the music business BMG, and the services division Arvato delivered particularly strong performances, with double-digit organic growth rates. RTL Group recorded organic growth of close to four percent.

Bertelsmann Chairman & CEO Thomas Rabe said: “The first three months went very well for us fiscally. Bertelsmann increased its revenues significantly, and is now clearly above the level of the period before the outbreak of the coronavirus pandemic. Almost all divisions reported organic growth, in some cases, strong. At the same time, we made progress in implementing our corporate strategy. Further progress was made establishing national media champions, and our global content and services businesses are also well on track. We will achieve our targets for the full year.”

Highlights from the divisions:

RTL Group increased the number of paying subscribers to its streaming services TV Now and Videoland by 71 percent year-on-year to 2.7 million. RTL Group announced the full acquisition of Super RTL, and the sale of its U.S. advertising technology subsidiary SpotX for \$1.14 billion. The SpotX transaction closed on April 30, 2021. Revenues at the international production subsidiary Fremantle increased by around 15 percent and streaming revenues by around 40 percent year-on-year.

Penguin Random House was represented with three authors on the “Time 100 Next” list published by “Time” Magazine: the novelist Brit Bennett, the poet Amanda Gorman, who rose to instant worldwide fame at the inauguration of U.S. President Joe Biden, and the environmental activist Ayana Elizabeth Johnson. Its numerous bestsellers included the publication of Michelle Obama’s global bestseller “Becoming” in a new edition for young adults in all its markets, as well as the number-one-bestselling “How to Avoid a Climate Disaster” by Bill Gates.

Gruner + Jahr and Mediengruppe RTL Deutschland announced in February that they are reviewing an expansion of their collaboration. An outcome of this process is expected for the second half of 2021. Beyond fostering even closer cooperation in various areas, the aim is to develop a joint growth strategy.

BMG and global investment firm KKR signed a collaboration agreement that positions them as one of the leading buyers of major music rights packages in a growing market.

Arvato Supply Chain Solutions invested in the expansion and automation of its global network of sites. Arvato Financial Solutions benefited from a good business performance in receivables management, as well as in the “purchase on account” sector, and Arvato Systems further expanded its activities in the Artificial Intelligence and IT Security lines of business. The CRM company Majorel grew with its global customers, and supported them in the scheduling of vaccination appointments.

Bertelsmann Printing Group renewed existing customer contracts and signed new partners for its DeutschlandCard rewards program. Europe’s leading offset printing company Mohn Media made notable progress on a comprehensive strategy project.

The **Bertelsmann Education Group** benefited from the high demand for digital training and upskilling seen at Relias and Alliant.

As of March 31, **Bertelsmann Investments** owned approximately 260 shareholdings in companies and funds. With 19 new and follow-on investments in the first quarter of 2021, Bertelsmann stepped up its pace of investment.

Bertelsmann Chief Financial Officer Rolf Hellermann said: “Due to the global economic impact of the Corona pandemic, we still see uncertainties for fiscal 2021. However, as the first quarter of 2021 shows, our Group’s broad setup continues to contribute to a positive business performance. Against this backdrop, we continue to expect revenue growth, high operating profitability, and net income once again in excess of one billion euros for the full year.”

About Bertelsmann

Bertelsmann is a media, services and education company that operates in about 50 countries around the world. It includes the broadcaster RTL Group, the trade book publisher Penguin Random House, the magazine publisher Gruner + Jahr, the music company BMG, the service provider Arvato, the Bertelsmann Printing Group, the Bertelsmann Education Group and Bertelsmann Investments, an international network of funds. The company has around 130,000 employees and generated revenues of €17.3 billion in the 2020 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. In 2021, Bertelsmann commemorates the 100th birthday of Reinhard Mohn, the Group's late post-war founder and longtime Chairman and CEO.

Bertelsmann online



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