



# Interim report 2019

Thomas Rabe, Chairman and Chief Executive Officer  
Bertelsmann SE & Co. KGaA, August 29, 2019

# First half of 2019 – **Significant improvement of all operating key figures; progress in all strategic directions**

## **Business performance**

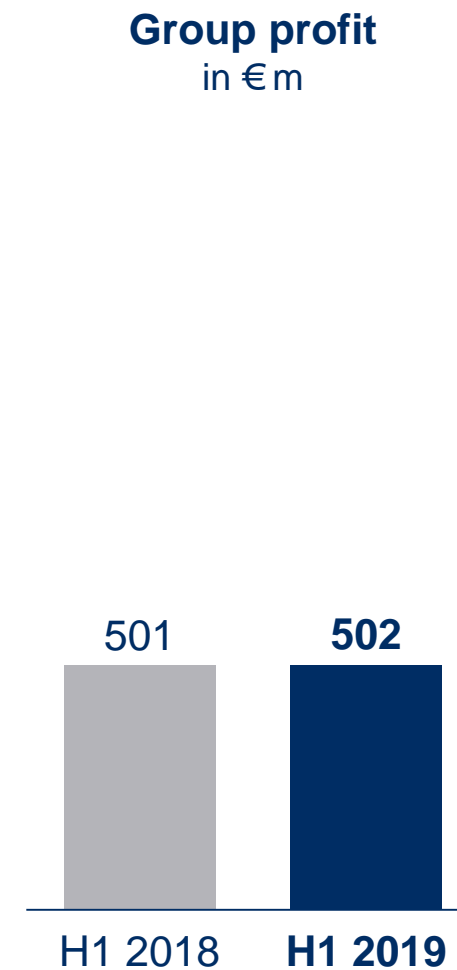
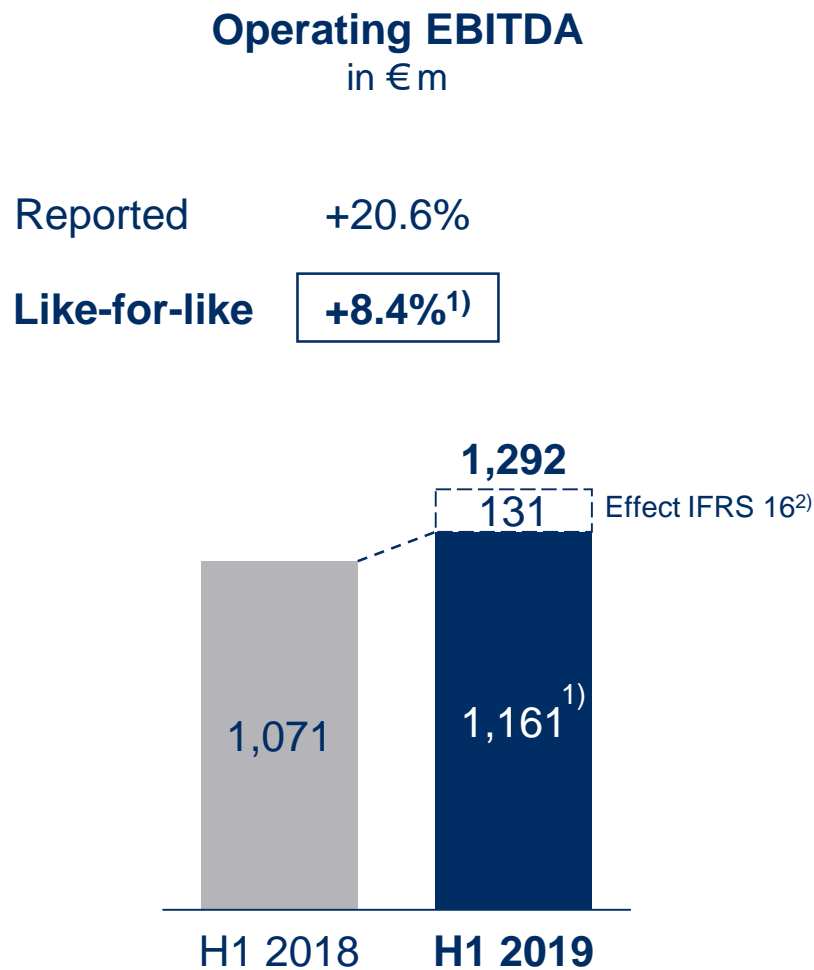
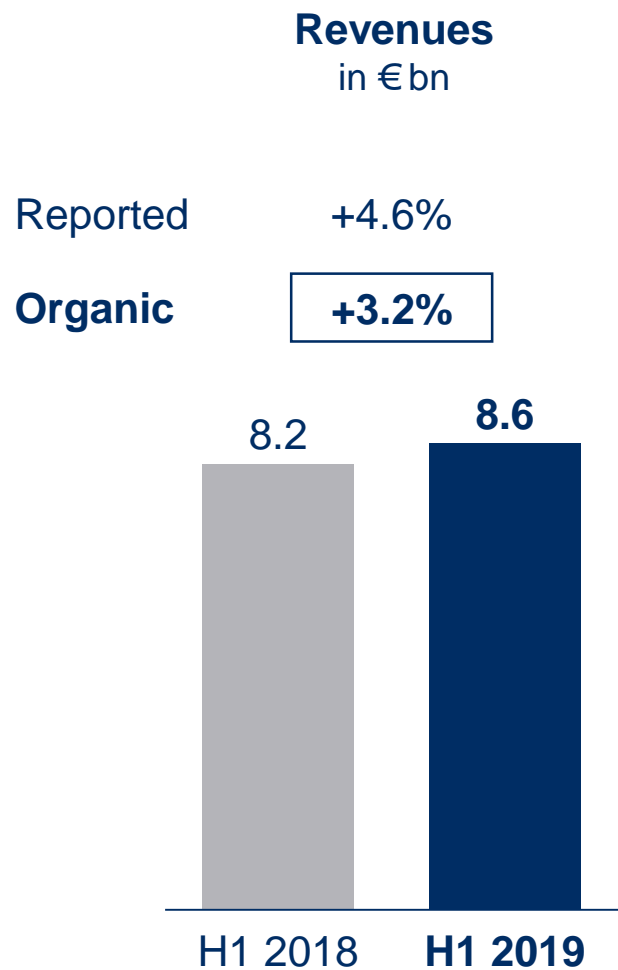
- **Highest revenues** since twelve years; **organic growth of +3.2%**
- **Operating EBITDA at all-time high; on a like-for-like basis +8.4%** above prior year<sup>1)</sup>
- **Group profit** again **exceeding €500m**

## **Strategy implementation**

- Formation and expansion of **cooperation and alliances**, i.a. foundation of the **Bertelsmann Content Alliance**
- Strengthening of TV and book publishing businesses through **M&A**, i.a. **Gulli** and **Ediciones Salamandra**
- Further expansion of **growth businesses: organic growth of 11%**

1) Before estimated effect due to first time application of new accounting standard IFRS 16 “Leases“

# Group key financials – Revenue increase to €8.6bn; operating EBITDA at all-time high; Group profit exceeding high prior year level



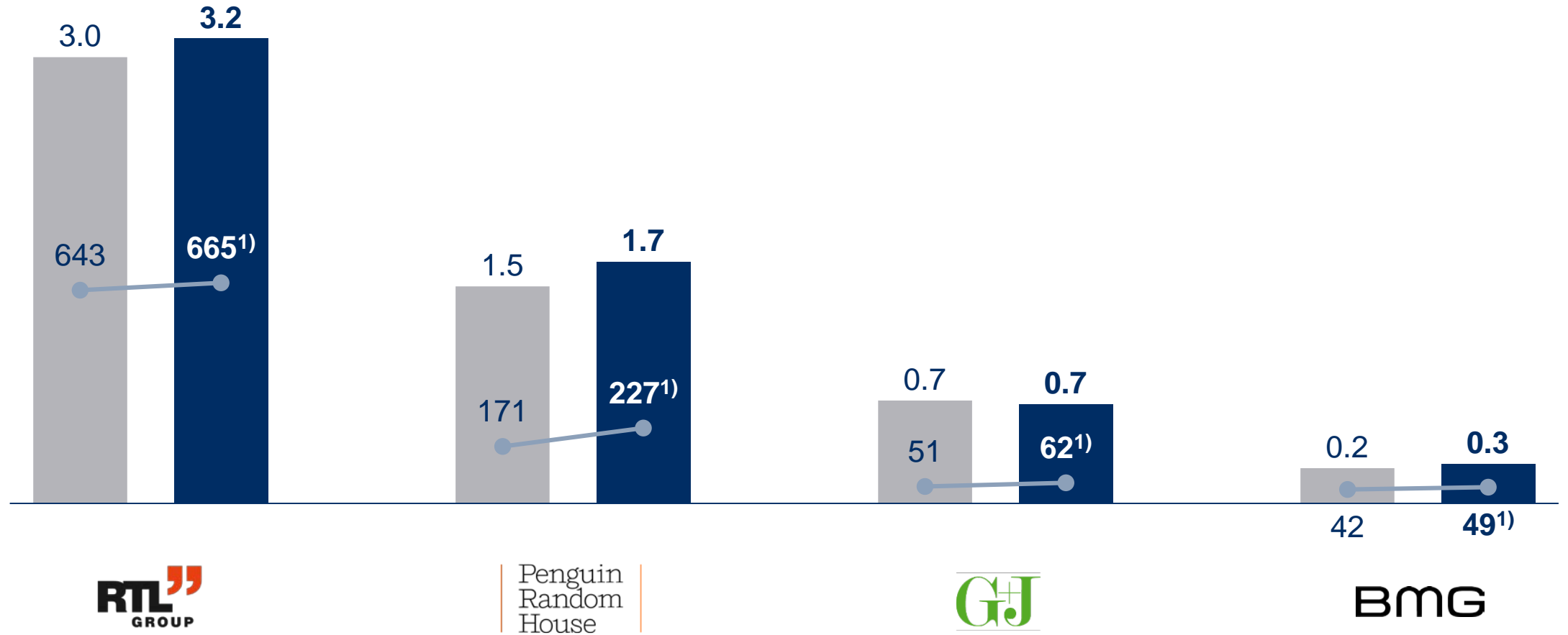
1) Before estimated effect due to first time application of new accounting standard IFRS 16 “Leases” 2) Estimated

# Divisions (1/2) – Revenue increase at RTL Group, Penguin Random House and BMG

■ H1 2018 ■ H1 2019

Revenues  
(in € bn)

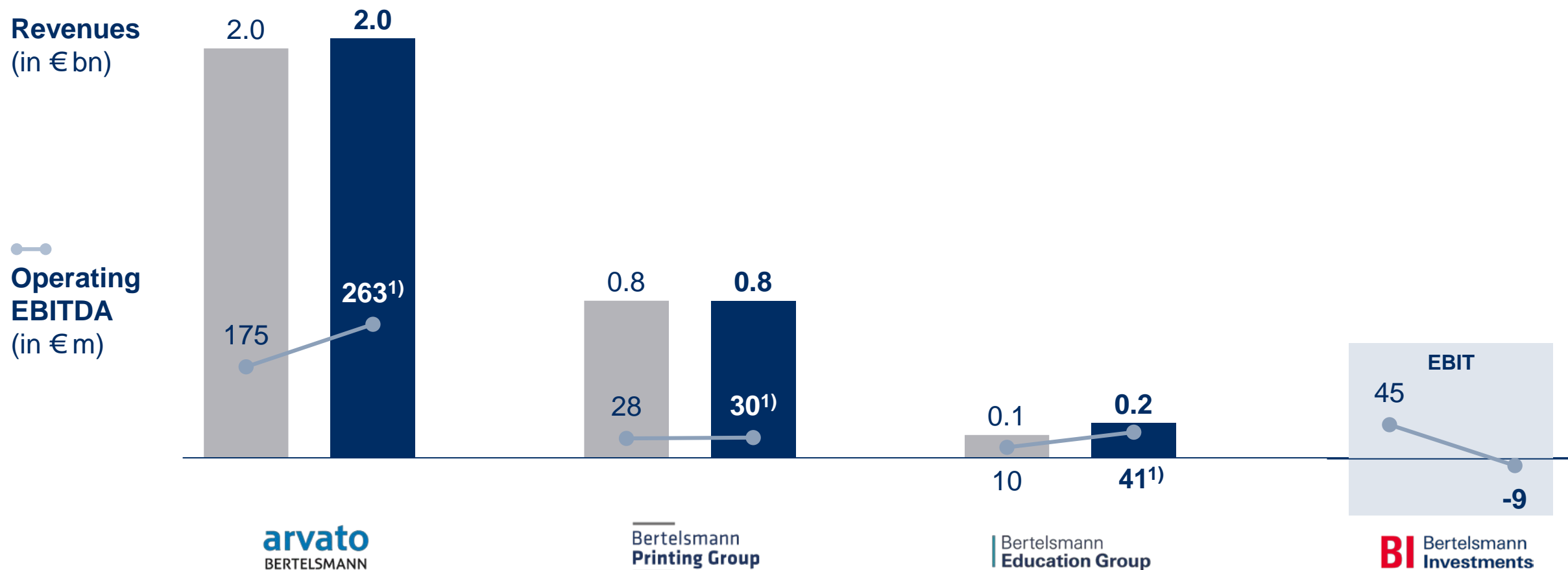
Operating  
EBITDA  
(in € m)



1) Including positive effect due to first time application of new accounting standard IFRS 16 "Leases"




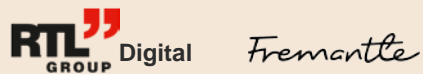


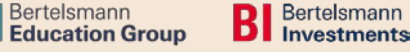
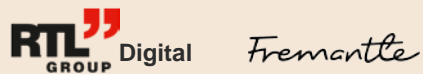


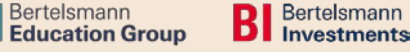

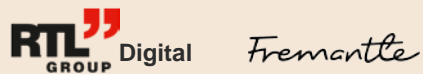


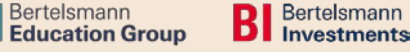
# Divisions (2/2) – Significant increase in revenues and operating EBITDA at Arvato and Bertelsmann Education Group

■ H1 2018 ■ H1 2019



1) Including positive effect due to first time application of new accounting standard IFRS 16 "Leases"

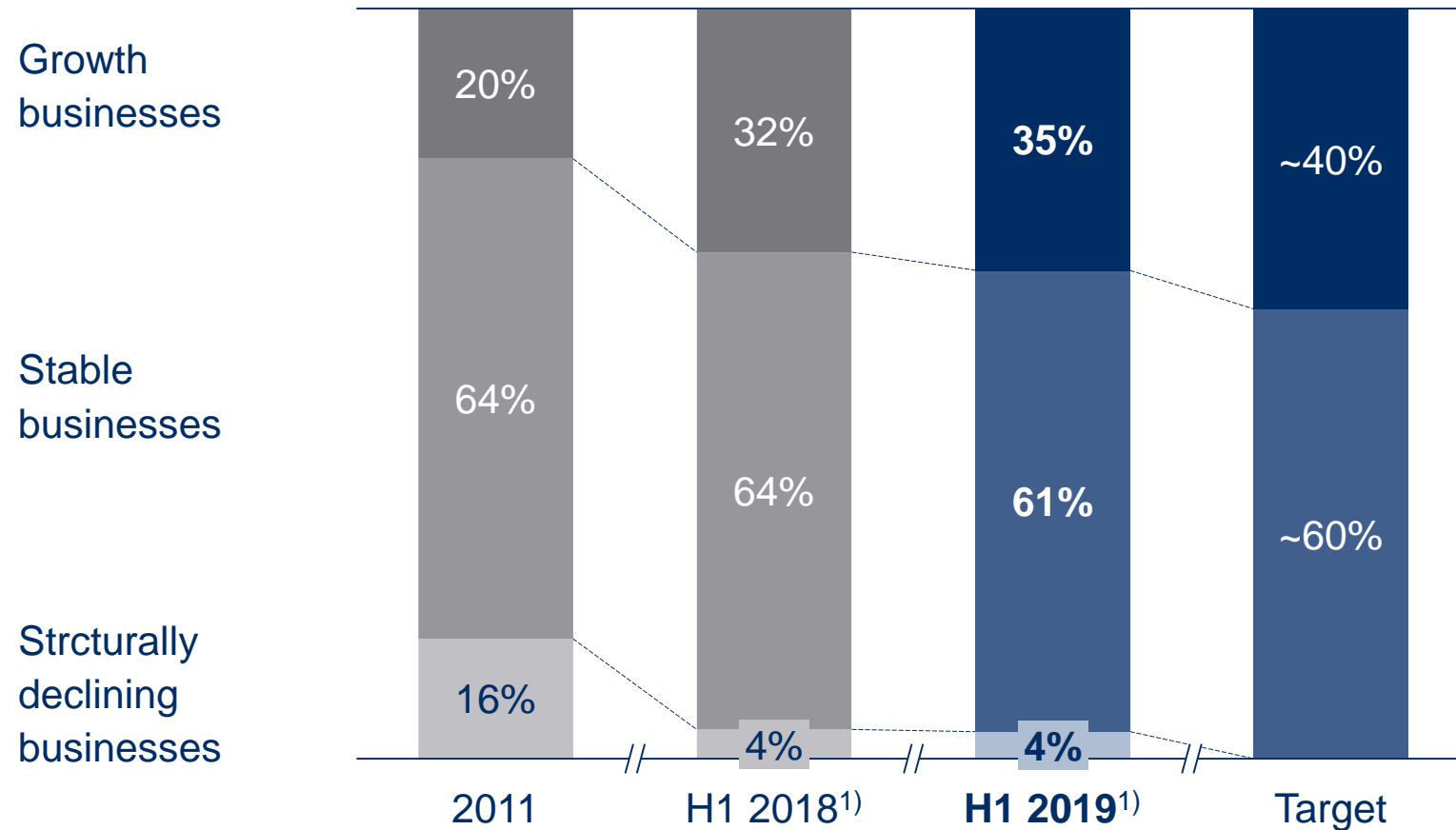
# Group strategy – Further progress along the four strategic priorities

Strategic priorities	<div style="background-color: #444; color: white; padding: 5px; text-align: center; width: 30px; margin: 0 auto;">1</div> <b>Strengthening the core</b>	<div style="background-color: #800000; color: white; padding: 5px; text-align: center; width: 30px; margin: 0 auto;">2</div> <b>Digital transformation</b>	<div style="background-color: #FF8C00; color: white; padding: 5px; text-align: center; width: 30px; margin: 0 auto;">3</div> <b>Growth platforms</b>	<div style="background-color: #008080; color: white; padding: 5px; text-align: center; width: 30px; margin: 0 auto;">4</div> <b>Growth regions</b>							
<b>Highlights 2019</b>	<div style="text-align: center;"> <p><b>Acquisitions</b></p>  </div> <hr/> <div style="text-align: center;"> <p><b>Expansion of cooperation and alliances</b></p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center; vertical-align: top;"> <p>Content</p> <p>Bertelsmann Content Alliance</p> <p><b>SALTO</b></p> </td> <td style="text-align: center; vertical-align: top;"> <p>Advertising</p>  <p>AD ALLIANCE</p> </td> <td style="text-align: center; vertical-align: top;"> <p>Data &amp; Tech</p>  </td> </tr> </table> </div>	<p>Content</p> <p>Bertelsmann Content Alliance</p> <p><b>SALTO</b></p>	<p>Advertising</p>  <p>AD ALLIANCE</p>	<p>Data &amp; Tech</p> 	<div style="text-align: center;"> <p><b>Data and tech agenda</b></p> <hr/> <p><b>Advisory Board</b></p> <hr/> <p><b>50,000 Udacity scholarships</b></p> </div>	<div style="text-align: center;"> <p><b>Further organic expansion</b></p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">  </td> <td style="text-align: center;">  </td> </tr> <tr> <td style="text-align: center;">  </td> <td style="text-align: center;">  </td> </tr> </table> </div>					<div style="text-align: center;"> <p><b>Invested<sup>1)</sup> &gt;€1bn</b> in start-ups in recent years</p> <p>Generated <b>proceeds</b> of more than <b>€600m</b></p> <p>Currently over <b>200 investments</b></p> <p><b>BI</b> Bertelsmann Investments</p> <hr/> <p><b>Expanded footprint in Middle East and Africa</b></p>  </div>
<p>Content</p> <p>Bertelsmann Content Alliance</p> <p><b>SALTO</b></p>	<p>Advertising</p>  <p>AD ALLIANCE</p>	<p>Data &amp; Tech</p> 									
											
											

1) Including investments of Bertelsmann Digital Media Investments

# Group strategy – Growth profile further improved; growth businesses organically 11% above prior year

Share of Group revenues in %



## Growth businesses

- Further primarily organic **expansion**
- **Revenues** at **€3.1bn** as of H1 2019
- Organic growth **+10.6%**

## Stable businesses

- Creative success, i.a. „**Becoming**“ by M. Obama with more than **11.5m** sold books as of H1 2019
- **Expansion of TV and book publishing businesses** through **M&A**

1) Rolling twelve months

# Summary and outlook – **Successful first half year; positive outlook for full year confirmed**

## **H1 2019**

### **Business performance**

- Further improved organic growth
- Operating EBITDA at all-time high
- Group profit above high level of prior year
- Progress in all strategic directions
- Portfolio profile further improved

## **Full year 2019**

### **Outlook**

- Further improvement of growth profile, esp. through organic expansion of existing growth platforms
- Continued high operating profitability
- Group profit to remain in excess of €1bn