Building Alliances
First-class media content, services and education offerings
Market-leading positions in the core businesses of TV, books, magazines, music, services, print and education

International focus
A globally operating company with 126,446 employees in some 50 countries
Bertelsmann at a Glance

€18 billion
Group revenues

€2.9 billion
Operating EBITDA

€1.1 billion
Group profit

126,446
Employees

Gütersloh
Headquarters

Media

Services

Education

Investments
The Executive Board

Thomas Rabe
Chairman and CEO of Bertelsmann and CEO of RTL Group

Markus Dohle
CEO of Penguin Random House

Immanuel Hermreck
Chief Human Resources Officer of Bertelsmann

Bernd Hirsch
CFO of Bertelsmann
The Group Management Committee (GMC)

Das GMC is composed of the members of the Bertelsmann Executive Board and select executives from the Bertelsmann Group.
Corporate Strategy – strategic framework

Four Strategic Priorities

1. Strengthening the Core
2. Digital Transformation
3. Growth Platforms
4. Growth Regions

Target Portfolio

- Higher Growth
- More Digital
- More International
- More Diversified

Financial Performance
The Bertelsmann Essentials

Creativity

Creativity is vital to us. We celebrate and nurture creativity: encouraging the critical and imaginative thinking that challenges convention and unlocks opportunity. Our minds are open and curious and we encourage and develop the passionate pursuit of fragile ideas. We know that experimentation is part of the creative process and that innovation best serves our customers and markets. Diversity is crucial. We actively seek out different viewpoints and encourage communication and collaboration.

Entrepreneurship

Entrepreneurial freedom provides us with the vision and courage to take risks, the decisiveness and perseverance to get things done, and to be accountable for our actions. Because we act responsibly, we can be proud of our entrepreneurial achievements. We never lose sight of our customers. Mutual respect and trust between every colleague and partner is crucial. Collaborating makes us all stronger. We invest in our people, empower them and provide fair working conditions. We’re mindful of the impact we have on society and environment, and we seek to make a positive difference.
RTL Group – A Leader across Broadcast, Content and Digital

- **68 TV channels and 30 radio stations**
  - RTL Television in Germany
  - M6 in France
  - Antena 3 in Spain
  - RTL channels in the Netherlands, Belgium, Luxembourg, Croatia and Hungary

- **Fremantle is one of the biggest international developers and producers of a wide range of formats**
  - Branches in 30 countries
  - Responsible for more than 12,800 hours of broadcast content per year
  - Sells more than 20,000 hours of programming worldwide each year

- **Leading European media company in online video**
- **8 VOD platforms**
- **Leading multi-platform networks** (BroadbandTV, Divimove, United Screens)
- **300 YouTube channels from Fremantle**
- **Generates >41 billion online video views per month**
- **SpotX: Leading technology platform for the automated marketing of online video ads**
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<tr>
<th>Broadcast</th>
<th>Content</th>
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<td>RTL</td>
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• More than 320 editorially independent imprints across six continents
• More than 15,000 new books published worldwide per year
• Sells more than 600 million copies in print, audio and digital formats annually
• 496 titles on the “New York Times” bestseller lists in 2019, 61 of them at number one
• More than 80 Nobel Prize laureates
Penguin Random House – The world’s leading trade book publisher

Authors

Bestseller

Publishers
Gruner + Jahr –
One of Europe’s Largest Magazine Publishers

- More than 500 magazines and digital offerings in more than 20 countries
- G+J stands for independent, credible content of the highest quality
- G+J products include brands such as “Stern,” “Geo,” “Brigitte,” “Essen & Trinken”, “Schöner Wohnen” and “Barbara”
- Territory, Germany’s largest communications agency for brand content, is a member of the G+J family
Gruner + Jahr – One of Europe’s Largest Magazine Publishers

Magazines

Digital offerings

Brands

VOGUE
VIEW
GEO
MAG
SCHÖNER WOHNEN
Management
NEON
BARBARA
flow
Brigitte
stern
GEO
CHEFKOCHE.DE
BEEF!
Télé Loisirs
Crime
NATIONAL GEOGRAPHIC
Capital
BMG –
The world’s number 4 in music rights

- Management of Copyrights, recording and audiovisual rights in the Digital Age
- Rights to more than three million songs and recordings
- 19 offices in 12 major music markets
- Numerous international and domestic artists signed
BMG –
The world’s number 4 in music rights

Artists (recording)

Artists (publishing)

Labels
Arvato –
A leading international service provider

- Service portfolio: CRM services, supply chain management, financial services, IT services
- Developed more than 70 online shops for numerous international fashion brands
- 600 million customers serviced in customer loyalty systems
- More than 1.1 billion parcels delivered a year
- 1.6 million square meters of storage space are operated by Arvato Supply Chain Solutions worldwide
- 170 million online credit checks performed per year
Bertelsmann Printing Group – Europe’s Biggest Printing Group

- Produces books, magazines, catalogues, brochures and calendars
- Gravure and offset printing plants in Germany and the UK and in the United States
- Offers services in the fields of media creation, replication and digital marketing solutions
- Together, Bertelsmann’s printing companies print about 1.6 million tons of paper a year
- Around 2 million books produced daily
- More than 3 billion brochures printed per year
Bertelsmann Education Group – Innovative online learning offers with global potential

- Education as a global growth market with high overlap to Bertelsmann competencies (Content and service expertise)
- Bertelsmann Education Group focuses on vocational training in the health and technology sectors
- Group unites various educational companies:

  - RELIAS: leading US provider of e-learning in the healthcare sector
  - UDACITY: Innovative e-learning provider with a focus on technology
  - HotChalk: Services for Universities in the United States
  - Alliant International University: US College of Health Care Professions and Humanities

\[
\begin{align*}
\text{€333m} & \quad \text{Revenues} \\
\text{€84m} & \quad \text{Operating EBITDA} \\
\text{1,834} & \quad \text{Employees} \\
\text{New York} & \quad \text{Headquarters}
\end{align*}
\]
Bertelsmann Investments –
Global fund network with trend scouting function for the Group

- Four internationally active funds for participation in emerging digital start-ups and in growth regions
- Investments in business areas of high relevance to Bertelsmann: digital media offers, services, e-commerce, Fintech, education
- Investments of more than €1 billion via funds since 2012; returns of more than €600m

**BAI** Bertelsmann Asia Investments
Various investments in China, including NetEase Cloud Music

**BII** Bertelsmann India Investments
Strategic investments in India, including Pepperfry.com

**BBI** Bertelsmann Brazil Investments
Investments in several funds and directly invested companies, including Afferolab

**BDM** Bertelsmann Digital Media Investments
Various investments in the US, including FloSports

>250 shareholdings in innovative companies
80 new investments in 2019

Beijing, New Delhi, São Paulo, New York
Shareholder structure

- **The Mohn Family**
  - 19.1% Capital

- **Foundations**
  - (Bertelsmann Stiftung, Reinhard Mohn Stiftung, BVG-Stiftung)
  - 80.9% Capital

- **Bertelsmann Management SE** (General Partner)

- **Executive Board**

- **Bertelsmann SE & Co. KGaA**

- **Bertelsmann Verwaltungsgesellschaft (BVG)**
  - 100% Control of voting rights
Culture@Bertelsmann

Bertelsmann is engaged in a variety of cultural activities, both in Germany and internationally. Culture@Bertelsmann encompasses exhibitions, literary formats, concerts, and efforts to preserve Europe’s cultural heritage. This commitment is closely linked to Bertelsmann’s tradition and creative products.

UFA FILMNACHTEN

- Silent film festival hosted by Bertelsmann and UFA
- Bertelsmann sponsors the restoration of important silent films by the Murnau Foundation
- Cooperation with ARTE in Berlin

Exhibitions

- Treasures from the Ricordi Archive shown in the USA for the first time: The exhibition “Verdi: Creating Otello and Falstaff” at the New York Morgan Library & Museum attracted more than 70,000 opera fans by the end of 2019
Events@Bertelsmann

Bertelsmann Party

Once a year, Bertelsmann brings together politicians, writers, entertainers, film stars and other celebrities at its representative premises in Berlin for a world-class party. Hosts Thomas Rabe and Liz Mohn personally welcome every one of the 600 guests on the red carpet.

Every two years, Bertelsmann and Liz Mohn, founder and president of the German Stroke Foundation, host the Rosenball charity gala in Berlin. Many millions of euros have already been raised in this way to help combat strokes. Around 600 guests enjoy a glamorous evening with live shows, dancing, and a raffle.
Backup
Group key figures 2019 –
Revenues of €18bn, operating EBITDA of €2.9bn at record level

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<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
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<tbody>
<tr>
<td>Revenues in € bn</td>
<td>17.7</td>
<td>18.0</td>
</tr>
<tr>
<td>Growth</td>
<td>+2.0%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating EBITDA in € m</td>
<td>2,586</td>
<td>2,909¹</td>
</tr>
<tr>
<td>Margin</td>
<td>14.6%</td>
<td>16.1%</td>
</tr>
</tbody>
</table>

¹ Before new accounting standard IFRS 16 "Leases" (estimate): €2,634m

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<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
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<tbody>
<tr>
<td>Group profit in € m</td>
<td>1,104</td>
<td>1,091</td>
</tr>
</tbody>
</table>

1bn
Group strategy – Significant strategic progress in 2019

1. Strengthening the core
   - Foundation
   - Majorel
   - Agreed complete acquisition Penguin Random House

2. Digital transformation
   - Implementation data and technology agenda
   - Expansion video on demand and ad tech offerings

3. Growth platforms
   - Organic growth
   - RTL Group
   - Fremantle
   - BMG
   - arvato
   - Bertelsmann Investments

4. Growth regions
   - Expansion book publishing business organically and through acquisitions
   - Fund investments and initial public offering Afya

Collaboration in the areas of content, advertising and technology
Building alliances –
Collaboration in the areas of content, advertising and technology

Content
- Creation and distribution of content across all media genres
- Including 8,000 creative minds

Advertising
- Joint advertising marketing
- Reaches 99% of the German population

Technology
- Group-wide bundling of resources and know-how
- Pursue of a coordinated tech agenda

- Audio Alliance
- Ad Alliance
- d-force
- netID
- gravitE