Interim report 2020

September 1, 2020
Group key financials – 
Revenue decline in single-digit range; operating result €1bn; Group profit stable

<table>
<thead>
<tr>
<th></th>
<th>Revenues in € bn</th>
<th>Operating EBITDA in € m</th>
<th>Group profit in € m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>H1 2019</td>
<td>8.6</td>
<td>1,292</td>
<td>502</td>
</tr>
<tr>
<td>H1 2020</td>
<td>7.8</td>
<td>1,009</td>
<td>488</td>
</tr>
<tr>
<td><strong>Organic</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 2019</td>
<td></td>
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</table>

-8.9% reported revenue decline
-7.9% organic revenue decline
First half of 2020 –
Success factors

Counteraction

Diversification

Digitization

Strength Arvato
Corona counteraction –
Workforce protected; liquidity and financing secured; economic debt slightly reduced

<table>
<thead>
<tr>
<th>Protection of employees and business continuation ensured</th>
<th>Liquidity and financing secured long-term</th>
<th>Outflow of funds reduced through various measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Around 70% of workforce Group-wide productively working from home</td>
<td>- Upcoming capital market maturities prematurely refinanced long-term</td>
<td>- Cost measures at all levels without adverse impacts on business substance, &gt;60% of revenue decline compensated on the cost side</td>
</tr>
<tr>
<td>- Hygiene standards raised</td>
<td>- Liquidity reserve built</td>
<td>- Investments prioritized</td>
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<tr>
<td>- Meetings primarily virtually</td>
<td>- Credit lines increased respectively terms extended</td>
<td>- Active cash flow management</td>
</tr>
<tr>
<td>- Permanent new work concepts in development</td>
<td></td>
<td>- Group-wide waiver of dividends by shareholders</td>
</tr>
</tbody>
</table>
**Group strategy – Progress in all strategic priorities**

<table>
<thead>
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<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengthening the core</strong></td>
<td><strong>Digital transformation</strong></td>
<td><strong>Growth platforms</strong>&lt;br&gt;(revenues H1 2020: €2.9bn)</td>
<td><strong>Growth regions</strong></td>
</tr>
<tr>
<td>Market shares increased in core markets (GER, FR, NL)</td>
<td>Paying subscribers increased by +45% to 1.77m</td>
<td>+4% organic growth mainly due to streaming</td>
<td>Active portfolio management</td>
</tr>
<tr>
<td>Full acquisition</td>
<td>Digital formats grown by +15%</td>
<td>Logistics network further expanded</td>
<td>Investment partially sold</td>
</tr>
<tr>
<td>Internationalization</td>
<td>Increased demand for online educational services</td>
<td>Partnership in risk management business</td>
<td>Investments in start-ups expanded to &gt;240</td>
</tr>
</tbody>
</table>

- **RTL Group**
- **Penguin Random House**
- **Bertelsmann Education Group**
- **BMG**
- **arvato**
- **BI**

Paying subscribers increased by +45% to 1.77m
Digital formats grown by +15%
Increased demand for online educational services
Logistics network further expanded
Partnership in risk management business
Active portfolio management
Investment partially sold
Investments in start-ups expanded to >240
Summary and outlook –
Effective cost and cash flow management; gradual recovery in advertising markets expected

H1 2020

Development

• Active counteraction and first signs of recovery in advertising markets
• Stable Group profit and double-digit EBITDA margin
• Progress in strategy implementation

Full year 2020

Outlook1)

• Revenues and EBITDA excluding TV and magazines businesses at prior year’s level
• Gradual recovery in advertising markets
• Outlook with high uncertainty, further active counteraction

1) Assuming no further increase of the virus spreading and no second pandemic wave
Many thanks
First half of 2020 –
Corona counteraction and strategic progress

Solid starting position
• Diversified Group portfolio
• High share of digital business models
• Revenue decline primarily in advertising-financed businesses

Active counteraction
• Protection of employees and business continuation ensured through comprehensive preventive measures
• Liquidity outflow massively reduced
• Financing secured long-term

Strategic progress
• Penguin Random House fully acquired
• Bertelsmann Content Alliance internationalized
• Partnership in risk management business formed
• Growth platforms expanded organically