

## PRESS RELEASE

# Bertelsmann Realigns Its Printing Business

- **Change of management at the Bertelsmann Printing Group: Dirk Kemmerer succeeds Axel Hentrei as CEO**
- **Intensified collaboration between all printing businesses in Germany**
- **Significant reduction of production capacity in gravure through planned closure of the Prinovis site in Nuremberg in spring 2021**

Gütersloh, April 10, 2019 – Bertelsmann is realigning the organization and personnel of its worldwide printing business. Collaboration between the individual Bertelsmann Printing Group (BPG) printing companies will be significantly intensified. Among other things, this will involve standardizing organizational structures and pooling other functions such as IT and Controlling. In this way, the Group is creating the best possible conditions for consolidating its market-leading position in a challenging market environment, aligning itself even better to its customers' requirements, and continuing to shape the transformation of the printing industry from a position of strength.

For more than a decade, the printing industry has been in structural decline. Demand for high-volume catalog products in particular has diminished significantly. Overcapacity on the production side and growing competitive pressure from offset providers have also led to a noticeable increase in price pressure.

Thomas Rabe, Chairman and CEO of Bertelsmann, said: "The realignment of our printing activities is our answer to the far-reaching changes in the printing industry. As a leading provider in Europe, the Bertelsmann Printing Group is in a good position. However, megatrends like digitalization and individualization, as well as the increasing convergence of gravure and offset printing, present the printing industry with major challenges. In the past year, paper price increases also led to restraint on the part of many customers. We have already responded to these developments with various measures in the past few years and are now responding with an even stronger integration of our printing and direct-marketing businesses. We expect this will lead to further improvements in efficiency and effectiveness."

The extensive realignment of the printing division is accompanied by a change of management at the Bertelsmann Printing Group: Axel Hentrei (60), CEO of the printing group, has decided to step down and retire after nearly 30 years with the company. Dirk Kemmerer (46), who has been a member of the BPG Board since February 2017 and is CEO of Mohn Media and Digital Marketing, will take over his functions with immediate effect. The BPG Board will consist of three members from now on. Besides Dirk Kemmerer as CEO, they are Ulrich Cordes (51) and Niklas Darijtschuk (47). Cordes will remain CFO of the Group, while Darijtschuk will assume the newly created role of Chief Operating Officer (COO) in addition to his current responsibilities in the Print International department.

Thomas Rabe commented: "I'd like to thank Axel Hentrei for his excellent work over the past decades in establishing and expanding Bertelsmann's print businesses, and transforming the printing plants into modern print service providers. Important decisions were made during his tenure at the helm of the Bertelsmann Printing Group. On behalf of all members of the BPG Board and Bertelsmann Group Management Committee, I wish him all the best for the future. At the same time, I'm delighted that Dirk Kemmerer, a manager who has been with Arvato and BPG for many years, is taking over as head of the Bertelsmann Printing Group. He stands for entrepreneurship, digital competence, and innovation. I'm convinced that he will successfully advance the integration of the print and direct marketing businesses."

The management has also decided to close the site in Nuremberg by April 30, 2021. The aim of this measure is to significantly reduce the massive overcapacity in gravure printing, in a bid to counteract the ongoing erosion of prices and the losses forecast for the gravure segment in the years ahead. The closure plans affect around 670 employees of the printing plant and adhesive binding facilities in Nuremberg, as well as some 250 people employed on temporary or short-term work contracts.

Says Rabe: "The decision to close the site in Nuremberg in about two years was very difficult for us. However, due to the significant decline in volumes and prices in 2018, it is unavoidable if our overall printing business is to be future-proof. We are aware of our great responsibility for the affected workers in Nuremberg, will stand by all obligations that arise from the job security agreement through 2020, and will finance the social plan from Group funds. With the aim of negotiating a reconciliation of interests as soon as possible, we will now immediately enter into talks with the employee representatives."

RTV Media Group and the MBS agency, two other BPG subsidiaries located in Nuremberg, are not affected by the closure plans. The same goes for the Prinovis sites in Ahrensburg and Dresden, and the Group's offset printing plants in Gütersloh (Mohn Media), Pößneck (GGP Media), and Würzburg (Vogel Druck).

### **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 117,000 employees and generated revenues of €17.7 billion in the 2018 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.

### **About Bertelsmann Printing Group**

The Bertelsmann Printing Group unites all of Bertelsmann's printing activities. This includes the German offset printing companies Mohn Media, GGP Media and Vogel Druck, the Prinovis gravure printing operations in Germany and the U.K. as well as the offset and digital printing plants Berryville Graphics, Coral Graphics and OPM in the United States. The Group combines a wide range of print and service offers – from prepress services and printing to mailings and distribution of a variety of different print products including magazines, books, phone books, catalogs, and brochures. Campaign, DeutschlandCard and the Dialogue business are also part of Bertelsmann Printing Group. They offer digital marketing services and are specialists in data-driven multichannel marketing, campaign management and customer loyalty. The Bertelsmann division also includes the advertising agency MBS, RTV Media Group and the replication specialist Sonopress.

**Bertelsmann im Netz**



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