

PRESS RELEASE

Bertelsmann's Growth and Digital Businesses Deliver Revenue Increase After Nine Months of 2019

- Revenues up by 3.3 percent to €12.8 billion after nine months
- Growth businesses show organic growth of 8 percent to €4.6 billion
- Contribution of growth businesses to Group revenues rises to more than 35 percent
- Strategic progress across all divisions
- Forecast for full year confirmed

Gütersloh, November 6, 2019 – Bertelsmann reports a successful business performance after nine months of 2019. The international media, services, and education company grew its revenues, for the most part organically. This positive development is owed to gains in the Group's digital and growth businesses.

Group revenues for the period increased by 3.3 percent year-on-year to €12.8 billion (previous year: €12.4 billion). Adjusted for portfolio and currency effects, organic revenues grew by 2.4 percent. Bertelsmann's growth businesses improved significantly, with organic revenue growth of 8 percent to €4.6 billion (previous year: €4.2 billion). Altogether, they contributed more than 35 percent to the Group's total revenues, after 33 percent in the previous year.

Thomas Rabe, Chairman and CEO of Bertelsmann, said: "The business performance in the year to date gives us confidence that we will achieve our targets for the full year 2019. The expansion of our growth and digital businesses is making noticeable progress. All divisions are making strategic progress. A particular focus has been on increasing collaborations and alliances, such as the Bertelsmann Content Alliance in the content businesses, and the Ad Alliance in ad sales. This is a good basis for a continued positive business performance in the fourth quarter, which is so important for Bertelsmann. "

Highlights from the divisions:

RTL Group registered 1.4 million paying subscribers for its streaming services (the pay services TV Now in Germany and Videoland in the Netherlands), up 50 percent year on year. The viewing times of TV Now in Germany and Videoland in the Netherlands also increased year on year, by 27 percent and 59 percent respectively.

Penguin Random House placed multiple number-one titles on the New York Times bestseller lists in the first nine months of 2019, including "Where The Crawdads Sing" by Delia Owen; "Educated" by Tara Westover; "The Testaments" by Margaret Atwood; and "Becoming" by Michelle Obama.

Gruner + Jahr expanded its portfolio of personality magazines: “Brigitte” launched a collaboration with the well-known psychotherapist and bestselling author Stefanie Stahl. G+J also launched “Stern Crime Plus,” the first paid subscription model for digital journalism.

BMG artists and songwriters – including Lewis Capaldi, Zac Brown Band, Tool, Pixies, Chrissie Hynde, Kylie Minogue, and Trettmann – all scored significant sales success during the period. The BMG documentary “David Crosby: Remember My Name” enjoyed a successful U.S. theatrical opening.

Arvato Supply Chain Solutions won numerous new customers and Arvato Financial Solutions initiated the development of a digital “know your customer” platform with the goal of significantly lightening the workload of companies and banks.

The **Bertelsmann Printing Group** strengthened its cross-divisional organizational structure, creating the organizational foundation for a one-company approach. The management also initiated measures to gradually adjust capacities in the gravure printing business to the realities of the market.

The **Bertelsmann Education Group** continued its successful business development. As part of the #50000Chances digital education campaign, Bertelsmann and Udacity, the U.S. online university, announced that they would be awarding around 50,000 scholarships in the fields of cloud, data, and artificial intelligence over the next three years.

At the end of September, **Bertelsmann Investments** had 225 shareholdings in up-and-coming companies and funds through its four international funds. In the period under review, Bertelsmann Asia Investments (BAI) participated in the Ding Dong Fresh e-commerce platform, which lets customers order home deliveries of fresh food via an app. Bertelsmann India Investments (BII) invested in the online credit marketplace Rupeek, which currently focuses on lending against gold as collateral.

Bernd Hirsch, Bertelsmann’s Chief Financial Officer, added: “We are pleased with the positive business performance as of the end of September 2019. Against this backdrop, we continue to expect growing revenues, continued high operating profitability, and, once again, a Group profit for the full year of over one billion euros.”

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.

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