

PRESS RELEASE

Bertelsmann Virtual Management Meeting 2020: Bucking the Crisis With Creativity and Entrepreneurship

- **Bertelsmann CEO Thomas Rabe discusses new priorities and opportunities with 280 top executives via video conference**
- **Liz Mohn: My family and I are fully committed to this company**

Gütersloh, June 25, 2020 – Bertelsmann sees itself as well-equipped to emerge from the coronavirus crisis stronger than before. At the Group's first virtual Management Meeting on Wednesday, Bertelsmann's CEO Thomas Rabe and some 280 top executives from 23 countries discussed their experiences of the past several months, and opportunities for the future. The international media, services, and education company is focusing in particular on hybrid working models, an accelerated expansion of its digital business, and on alliances and partnerships.

During the video conference, Rabe emphasized: "The protection of our employees has been a top priority in these past months and I am happy to say that, as far as we know, no one has been infected at their workplace to date. At the same time, we saw how, during the crisis, Bertelsmann has been able to benefit from its broad business setup and the high degree of digitization of its businesses. For instance, declines in advertising revenues were partly compensated for by well-performing services businesses."

In a video message, Liz Mohn in her capacity as spokeswoman for the owning family, thanked both the management and employees around the world for their efforts: "In the past several months, all of you have done so much to maintain relationships with customers and colleagues, and to keep our businesses and the production of content going during the coronavirus crisis. You have succeeded brilliantly and deserve great recognition for it. My special thanks go to Thomas Rabe and the Executive Board." Liz Mohn also emphasized: "I would like to assure you that my family and I continue to stand behind this company and its employees without reservation. Together, let's look to the future and seize the opportunities that present themselves."

At the Bertelsmann Virtual Management Meeting (BVMM), executives from a wide range of the group's businesses presented examples for creativity and entrepreneurship during times of the coronavirus. For example, Gail Rebeck (Penguin Random House UK) highlighted the creative energy that arises from adversity. Tanit Koch (Mediengruppe RTL/n-tv) reported on the strong increase in reach, viewing times and market shares for RTL and n-tv's news programs, while Rob Clark (Fremantle) talked about how film and TV productions were brought to success with at times unconventional methods given the high security requirements. He reported that hundreds of new film and show projects are now in the pipeline. Madeline McIntosh (Penguin Random House US) confirmed a high demand for books across all formats. Titles that offer people life support, entertainment and inspiration have been particularly popular since the beginning of the coronavirus pandemic. G+J CEO Julia Jäkel described successful Bertelsmann Content Alliance initiatives for a greater sense of community during the coronavirus crisis, and Thomas Valentin of Groupe M6 showed how, in just five days, M6 put together a one-hour daily cooking show. "Tous en Cuisine" scored huge ratings during the lockdown.

Examples of entrepreneurship were presented, among others, by Frank Schirrmeister (Arvato SCS), who described how the global logistics company managed to keep its supply chains intact even in severely affected regions such as northern Italy, China and the U.S. Thomas Mackenbrock gave an insight into the situation at customer experience specialist Majorel, which quickly shifted a significant share of its more than 50,000 employees from 29 countries to working from home so as to maintain its services to customers. Dominique Casimir pointed out that BMG had emerged from the crisis in the traditional music industry nearly twelve years ago, and plans to use the current crisis to penetrate into new lines of business as well. Annabelle Yu Long (Bertelsmann China) reported on the high growth rates recorded by several startups in which the Bertelsmann Asia Investments (BAI) fund owns stakes, among them delivery services and online education providers.

Chief HR Officer Immanuel Hermreck presented the results of a survey among the executives invited to the event. More than 90 percent of respondents indicated that they felt well informed during the lockdown and felt a strong team spirit. More than 90 percent consider themselves enabled to take quick and decisive action and feel well prepared for a return to normal business operations. Hermreck explained: "Our corporate culture based on creativity and entrepreneurship has proven its value and unleashed great strength in a time of global uncertainty. We want to use this positive experience to introduce new, agile, and trust-based forms of work and leadership. Adaptability and quick decision-making processes have proven to be the key to an even more resilient Bertelsmann going forward."

Karin Schlautmann, Executive Vice President Corporate Communications at Bertelsmann, emphasized the value of close communication in times of crisis. The Group's 126,000 employees, many of them isolated in their home offices, were kept up to date across all channels, she said. This strengthened their knowledge about virus prevention, but also their sense of community and solidarity. The public, too, was informed about the company's actions in a transparent manner.

Bertelsmann had taken action early on during the coronavirus crisis to counteract the situation without compromising the company's substance or cutting back on investments into the future. As early as January, far-reaching protective measures had already been taken in China; this was followed shortly afterwards by a Group-wide ban on business travel and, in mid-March, the worldwide shift to working from home.

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 126,000 employees and generated revenues of €18.0 billion in the 2019 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. Bertelsmann aspires to achieve climate neutrality by 2030.

Follow us on



For further questions, please contact:

Bertelsmann SE & Co. KGaA

Andreas Grafemeyer
Senior Vice President Media Relations
Phone: +49 5241 80-2466
andreas.grafemeyer@bertelsmann.de