

PRESS RELEASE

Bertelsmann Presents New Strategic Priorities

- **Group hosts its second purely virtual management meeting with 600 top executives**
- **CEO Thomas Rabe announces ambitious growth plan**

Gütersloh, April 27, 2021 - Bertelsmann is using its sound operational and financial health as a starting point to further develop its successful strategy. In doing so, the international media, services and education company is now pursuing five priorities, which Bertelsmann Chairman and CEO Thomas Rabe presented to key executives at the Group's second purely virtual management meeting on Thursday. The goal is to trigger another growth spurt for Bertelsmann. This is to be achieved by creating national media champions, expanding the global content businesses, Bertelsmann's global services businesses, the online education division, and the worldwide network of holdings.

More than 600 executives from all eight business divisions and the Corporate Center took part in the digital meeting. They come from 30 countries; more than a third of them are women. Besides Thomas Rabe, Bertelsmann Executive Board members Markus Dohle, Rolf Hellermann and Immanuel Hermreck, as well as ten other top executives, most of them members of the Bertelsmann Group Management Committee, presented their strategic priorities and plans.

Bertelsmann Chairman & CEO Thomas Rabe said: "Bertelsmann is in an excellent position financially, operationally and strategically, with a number of fast-growing businesses, new revenue mainstays, and record results. This puts us in a good position to compete with the global tech platforms. We are responding to this challenge with clear strategic priorities. The first priority is to build national media champions in our core markets, leading in content, resources, expertise, reach and distribution. Second, we will continue to invest massively in our worldwide content businesses." Third, he said, Bertelsmann will expand its global services businesses. Fourth, the Group will drive forward its online education activities centered around the anchor companies Relias and Alliant in the healthcare and technology sectors. And the company's fifth priority is to expand its number of digital investments, he said. "We are pursuing an ambitious growth plan for all divisions, comprising both organic growth initiatives and acquisitions. At the same time, we will be exploring new growth areas."

In a video message, Liz Mohn addressed Bertelsmann's top management and more than 130,000 employees worldwide in her capacity as spokeswoman for the owner family. Referring to the coronavirus pandemic, she said: "Bertelsmann and all of you have shown that we can withstand global crisis. By looking out for one another and ensuring protection. It is thanks to your hard work and skill that Bertelsmann is in such a good position today."

Speaking at the virtual management meeting, Bernd Reichart (Mediengruppe RTL) reiterated the enormous competitive advantages and growth momentum that result from the privileged market position of a **national champion**.

Bertelsmann Executive Board member Markus Dohle (Penguin Random House) as well as Jennifer Mullin (Fremantle) and Hartwig Masuch (BMG) addressed the strategic priority of **global content**. Dohle described Penguin Random House's planned acquisition of the U.S. publishing group Simon & Schuster as a new chapter in the book publishing group's history of generating global reach for its global content. Mullin took a look at the global streaming platforms as partners and growth drivers for the TV and video production company Fremantle's content. Masuch highlighted the advantages of BMG and KKR's new partnership to jointly acquire label, publishing, and other music rights.

Frank Schirrmeister (Arvato SCS) and Jan Altersten (AFS) elaborated on the expansion of the **global services** businesses. Schirrmeister cited his company's early entry into e-commerce services, internationalization, and the determined use of IT and data as key success factors for Arvato Supply Chain Solutions' growth. Altersten presented innovative financial services that guarantee secure, customer-friendly and transparent processes.

Kay Krafft (Bertelsmann Education Group/Relias) and Andy Vaughn (Alliant) spoke about the strategic priority of **online education** at the virtual management meeting. Krafft explained how Relias, as a leading provider of online learning in the healthcare industry, is looking to grow the company by continually building the skills of healthcare workers. Vaughn explained how Alliant is driving its business online and through regional expansion with its programs for teachers.

Annabelle Long (Bertelsmann Asia Investments) and Shobhna Mohn (Growth Regions) addressed the expansion of the **holdings** of the Bertelsmann Investments global network of funds, which she said focuses on innovation and expansion and today counts more than 260 holdings.

The final block of the virtual management meeting addressed the framework conditions necessary for implementing these strategic priorities. Chief HR Officer Immanuel Hermreck called employees the "drivers of transformation" and emphasized the impact of the annual employee survey that will begin shortly. He presented Bertelsmann's new focuses in its corporate responsibility efforts and underscored the role of successful talent management and the development of technological skills in particular through continuing education. Rolf Hellermann explained how strategically important "Tech & Data," his area of responsibility, is for the Group. At the beginning of the management meeting, Hellermann had already presented an overview of the Group's financial situation and the outlook for 2021 in his capacity as Bertelsmann's new CFO. In the Tech & Data division, Hellermann said Bertelsmann was on its way to becoming a Group-wide community with intensive interaction. Finally, EVP Corporate Communications Karin Schlautmann explained how, in line with the new Group strategy, Bertelsmann keeps achieving new reach records in communicating key messages while using exclusively digital communications.

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 around 130,000 employees and generated revenues of €17.3 billion in the 2020 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. In 2021, Bertelsmann commemorates the 100th birthday of Reinhard Mohn, the Group's late post-war founder and longtime Chairman and CEO.

Bertelsmann online



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