

## PRESS RELEASE

# Bertelsmann Reports Double-Digit Organic Revenue Growth and Record Operating Result in 2021

- **Organic revenue growth of 11 percent, to €18.7 billion**
- **Operating EBITDA at record €3.2 billion after and €3.4 billion before streaming investments**
- **Group profit of €2.3 billion**
- **Net financial debt reduced to below €1 billion**
- **Significant progress on implementing the strategy**
- **Boost growth plans: Investments of €5 billion to €7 billion by 2025**

Gütersloh, March 31, 2022 – Bertelsmann closed its 2021 financial year with the best operating result in its history. The international media, services, and education company benefited most greatly from a strong recovery in the advertising markets, and the continued positive performance of its book-publishing and services businesses.

Thomas Rabe, Chairman and CEO of Bertelsmann, said: “2021 was the strongest year in Bertelsmann’s corporate history. We achieved double-digit organic growth, the highest operating result since our founding, and the best Group profit since 2006. Our three revenue pillars, RTL Group, Penguin Random House and Arvato, are flanked by three sprinters that are developing rapidly: BMG, Bertelsmann Education Group, and Bertelsmann Investments. Beyond this, we were able to further significantly reduce our financial debt by 1.1 billion euros, to under a billion euros. We will invest 5 to 7 billion euros in our Boost growth plans over the next few years.”

Bertelsmann’s **Group revenues** grew organically by 11.4 percent to €18.7 billion (previous year: €17.3 billion). All divisions, except the declining print businesses, recorded significant organic growth, even compared to the pre-Corona year 2019.

**Operating EBITDA** increased to a record €3.2 billion (previous year: €3.1 billion), despite substantial one-off earnings contributions from the sale of buildings in the previous year, and thus exceeded €3 billion for the second consecutive year. In particular, the continued positive performance of RTL Group, the Penguin Random House book-publishing group, and the services provider Arvato contributed to this new record. Before investments in RTL Group’s streaming business, operating EBITDA was €3.4 billion (previous year: €3.2 billion).

**Group profit** increased 58 percent to €2.3 billion (previous year: €1.5 billion), due partly to high gains from the disposal of businesses; this was the seventh consecutive year profitability exceeded the billion-euro mark.

Net financial debt was significantly reduced again, by €1.1 billion to €959 million (previous year: €2.1 billion). Operating free cash flow was €2.5 billion (previous year: €2.6 billion).

Thomas Rabe emphasized that Bertelsmann continued to make progress on all its strategic growth priorities – **National Media Champions, Global Content, Global Services, Online Education, and Investment Portfolio** - in 2021.

### **National Media Champions**

The merger of RTL Deutschland and Gruner + Jahr created a national media champion in Germany. Bertelsmann is driving the consolidation of the European TV markets with the planned merger of Groupe M6 and Groupe TF1 in France, and RTL Nederland and Talpa in the Netherlands. Concurrently, RTL Deutschland completed its full acquisition of Super RTL. The streaming services RTL+ in Germany and Videoland in the Netherlands now have 3.8 million paying subscribers, up 74 percent year-on-year.

### **Global Content**

The video production company Fremantle expanded its business with movies, series, and high-end documentaries by establishing a new global non-fiction unit, and completed several acquisitions and share increases – including increasing its shareholding in the Israeli entertainment producer Abot Hameiri, and in the production company Eureka, and acquiring twelve production labels from Nent Group in Scandinavia. Penguin Random House celebrated numerous publication highlights, among them, titles by the poet Amanda Gorman, “The Lincoln Highway” by Amor Towles, and “Harlem Shuffle” by Colson Whitehead, as well as “Renegades: Born in the USA” by Barack Obama and Bruce Springsteen. A decision on the planned acquisition of Simon & Schuster by Penguin Random House is expected this year. And the music company BMG signed contracts last year with world-renowned artists, including Tina Turner, Bryan Adams and Santana.

### **Global Services**

The international customer experience company Majorel expanded its business with global Internet customers, and saw double-digit growth. In September, Majorel also completed a private placement on Amsterdam’s Euronext. Bertelsmann remains a controlling shareholder, holding around 40 percent of its shares. Arvato Supply Chain Solutions continued to benefit from the boom in the tech, healthcare, and e-commerce sectors in 2021, while Arvato Financial Solutions recorded a positive business performance, particularly in the “purchase on account” area. Arvato Systems grew primarily with new customers from the public sector, and Bertelsmann Printing Group strengthened its printing business in the U.S. last year.

### **Online Education**

Bertelsmann Education Group served the continued high demand for online education and training, mainly in the healthcare and high-tech sectors, with Relias, Alliant, and Udacity. The education business was also strengthened by the acquisition of 25 percent of the capital shares and 46 percent of the voting rights in the Nasdaq-listed education company Afya, the leading provider of medical education and training in Brazil.

### **Investment Portfolio**

Bertelsmann Investments made 57 new and 42 follow-on investments in young companies and funds in the past financial year. The international fund network now holds around 300 investments, and recorded a significant contribution to earnings in 2021 with EBIT of €316 million. Since its launch in 2006, Bertelsmann has invested around €1.5 billion in digital companies with innovative business models through its venture-capital funds. The financial returns during this same period have already exceeded one billion euros.

Rolf Hellermann, Bertelsmann’s Chief Financial Officer, said: “Bertelsmann is in a strong financial position. For 2022, we expect a moderate increase in revenues, as well as an operating result that, before investments in RTL Group’s streaming business, will remain stable at record level. This guidance does not yet reflect the currently unforeseeable impact

of Russia's invasion of Ukraine and the resulting geopolitical tensions on the global economy."

Rabe added: "Based on our high-investment capacity, we will be implementing our ambitious Boost plans in the years ahead, to once again take Bertelsmann to a higher level of revenues and earnings by 2025."

Bertelsmann's equity increased to €13.6 billion in the past financial year (previous year: €10.7 billion). This resulted in an equity ratio of 42.8 percent (previous year: 36.1 percent).

For the past financial year 2021, Bertelsmann employees will receive profit sharing and bonuses totaling €89 million (previous year: €88 million).

In accordance with the terms and conditions governing the Bertelsmann Profit Participation Certificate 2001 (ISIN DE0005229942), 15 percent on the nominal value is scheduled to again be paid out on May 10, 2022. The payout on the 1992 profit participation certificate (ISIN DE0005229900) will be 10.88 percent (previous year: 8.65 percent).

### **Overview of other key figures:**

#### Special items

The special items in fiscal 2021 amounted to €963 million (previous year: €51 million).

#### Cash flow

Cash flow from operating activities of €1.8 billion was generated in the reporting period (previous year: €3.0 billion). Operating free cash flow was €2.5 billion (previous year: €2.6 billion), while the cash conversion rate was 107 percent (previous year: 118 percent).

#### Total assets

Total assets increased to €31.7 billion as of December 31, 2021 (previous year: €29.7 billion). Cash and cash equivalents amounted to €4.6 billion (previous year: €4.6 billion).

#### Investments

Commercial investments increased to €2.0 billion in the fiscal year (previous year: €1.7 billion). As in previous years, Arvato accounted for the majority of investments in property, plant and equipment. Investments in intangible assets were made, in particular, at RTL Group for film rights, and at BMG for the acquisition of music catalogs.

#### Employees

At the end of the 2021 financial year, the Group had 145,027 employees worldwide (previous year: 132,842).

## Overview of Figures (in € millions)

	2021	2020
<b>Revenues</b>	<b>18,696</b>	<b>17,289</b>
Operating EBITDA Divisions	3,354	2,848
Corporate / consolidation	-113	295
<b>Operating EBITDA continuing operations</b>	<b>3,241</b>	<b>3,143</b>
Special items	963	51
<b>Financial result</b>	<b>-352</b>	<b>-339</b>
<b>Earnings before taxes</b>	<b>2,972</b>	<b>1,937</b>
Income tax expense	-662	-478
<b>Group profit</b>	<b>2,310</b>	<b>1,459</b>

Economic investments*	1,998	1,717
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	Balance as of 12/31/2021	Balance as of 12/31/2020
Economic debt	3,475	5,207

Corporate Division (in € millions)	Revenues		Operating EBITDA	
	2021	2020	2021	2020
RTL Group	6,637	6,017	1,361	1,097
Penguin Random House	4,030	3,802	755	691
Gruener + Jahr	1,051	1,135	134	127
BMG	663	602	144	137
Arvato	5,035	4,382	825	662
Bertelsmann Printing Group	1,319	1,362	60	55
Bertelsmann Education Group	283	301	86	89
Bertelsmann Investments**	8	12	-11	-10
<b>Total Divisions</b>	<b>19,026</b>	<b>17,613</b>	<b>3,354</b>	<b>2,848</b>
Corporate / consolidation	-330	-324	-113	295
<b>Total Group</b>	<b>18,696</b>	<b>17,289</b>	<b>3,241</b>	<b>3,143</b>

\* After taking into account the financial liabilities assumed and purchase price payments for increases in stakes in subsidiaries that were already fully consolidated, in particular for the full acquisition of Penguin Random House in the previous year.

\*\* The business performance of Bertelsmann Investments is determined mainly on the basis of EBIT. EBIT amounted to €316 million (previous year: €1 million).

### **About Bertelsmann**

Bertelsmann is a media, services and education company that operates in about 50 countries around the world. It includes the entertainment group RTL Group, the trade book publisher Penguin Random House, 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 145,000 employees and generated revenues of €18.7 billion in the 2021 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.

### **Bertelsmann online**



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