

## PRESS RELEASE

# Bertelsmann records highest revenues in its history in 2022 with more than €20 Billion

- Revenues up by 8.3 percent to €20.2 billion
- Operating EBITDA stable at record level of €3.2 billion
- Group profit again above €1 billion
- Equity at €15 billion
- Advances in implementing the Group strategy
- 'Boost' investments of €1.6 billion

Gütersloh, March 30, 2023 – Bertelsmann ended the financial year 2022 with the highest revenues in its history, exceeding the €20 billion mark. As a result of the strong revenue growth, the international media, services and education company kept its Operating EBITDA stable at the previous year's record level of €3.2 billion despite a challenging market environment.

Thomas Rabe, Chairman and CEO of Bertelsmann, said: "2022 was a successful business year for Bertelsmann. Our revenues exceeded the 20-billion-euro mark. The Group's restructuring and the strategy of the past decade are clearly having an impact. We are growing and are highly profitable, and will invest five to seven billion euros in our Boost strategy by 2026. In 2022 alone, our Boost investments totaled 1.6 billion euros."

Rabe emphasized: "Our three major revenue pillars RTL Group, Penguin Random House and Arvato are flanked by the three sprinters BMG, Bertelsmann Education Group, and Bertelsmann Investments. We again made good progress in implementing our strategic priorities last year, from the expansion of RTL's streaming offerings to the purchases made by our video production companies, to the signing of numerous contracts with famous artists including Angelina Jolie, to the expansion of our services businesses and the acquisition of a controlling interest in the Brazilian education company Afya, in which we invested a total of nearly one billion euros."

Bertelsmann's **Group revenues** grew by 8.3 percent overall, and by 4.1 percent organically, to €20.2 billion (previous year: €18.7 billion). Almost all divisions recorded growth, in some cases considerable.

**Operating EBITDA** was maintained at the high level of the previous year at €3.2 billion (previous year: €3.2 billion), despite higher start-up losses in streaming. The Bertelsmann Education Group, Arvato and BMG divisions in particular contributed to this performance. Operating EBITDA was thus above €3 billion for the third year in succession. Before start-up losses for RTL Group's streaming businesses, operating EBITDA was €3.4 billion (previous year: €3.4 billion).

At €1.1 billion, **Group profit** was again above the billion-euro threshold, but below the previous year (€2.3 billion). In the previous year, revaluations at Bertelsmann Investments (€423 million after taxes), as well as gains on the disposal of SpotX and the revaluation of

the Magnite shares (totaling €355 million after taxes), had led to the highest figure since 2006.

Bertelsmann's **equity** increased to €15.0 billion in the past financial year (previous year: €13.6 billion). This resulted in an equity ratio of 45.8 percent (previous year: 42.8 percent).

In 2022, Bertelsmann also continued to make good progress with its strategic growth priorities – **National Media Champions, Global Content, Global Services, Education, and Investment Portfolio**.

### **National Media Champions**

At the beginning of the year, RTL Group completed the merger of RTL Deutschland and Gruner + Jahr and completed the sale of RTL Belgium and RTL Croatia. At year-end, RTL Group had around 5.5 million paying subscribers to its streaming platforms RTL+ in Germany, Videoland in the Netherlands, and RTL+ in Hungary (launched in 2022), up 44 percent from the previous year. RTL+ was developed into a multimedia offering with the launch of RTL+ Music and a podcast offering in Germany. RTL also acquired several film, series, and sports rights, including from UEFA and the NFL, to strengthen its TV and streaming business.

### **Global Content**

Fremantle continued putting its growth strategy into action. The video production company completed several acquisitions and share increases, including the acquisition of 70 percent of Lux Vide, Italy's leading independent TV production company, and 51 percent of the Irish production company Element Pictures. At Penguin Random House, the year's top-selling books included "Atomic Habits" by James Clear and "Where the Crawdads Sing" by Delia Owens. In November, Penguin Random House published "Surrender," the memoir by U2 singer Bono, and "The Light We Carry" by Michelle Obama. BMG acquired additional music rights, including those of Scottish rock band Simple Minds and French electronic music pioneer Jean-Michel Jarre, and signed new contracts with such artists as Rita Ora, Elvis Costello and Julian Lennon. BMG also acquired the German Schlager music label Telamo.

### **Global Services**

The main growth drivers in Arvato's global services were the logistics and customer experience (CX) businesses. Arvato Supply Chain Solutions grew in the Consumer Products, Healthcare and Technology customer segments in particular, and further expanded its distribution centers in Germany and Poland among other locations. The global CX company Majorel made several acquisitions and strengthened its customer relationship with Booking.com. The financial services business was strategically realigned under the name Riverty (formerly Arvato Financial Solutions). Arvato Systems grew in the areas of energy management and cloud services. Bertelsmann Printing Group renewed several major customer contracts and discontinued production at the rotogravure printing site in Dresden. Business was strongly impacted by sharply rising prices for paper and energy.

### **Education**

Bertelsmann strengthened its global education business by increasing its stake in Afya. The Nasdaq-listed education company is a leading provider of medical education and digital solutions for physicians in Brazil, and has been fully consolidated in the Bertelsmann Education Group division since the share increase. Bertelsmann Education Group also benefited from the high demand for digital education and training in the U.S., and invested further in developing the digital learning offerings of its e-learning provider Relias, while Alliant International University expanded its online offerings.

## **Investment Portfolio**

Bertelsmann Investments made 54 new and 31 follow-on investments in companies and funds in the past financial year, bringing its total active holdings to 333. Bertelsmann Next advances the development of new growth sectors and business areas, and strengthened its commitment in the Digital Health business area through various direct and follow-on investments. Since launching in 2006, Bertelsmann has invested around €1.7 billion in digital companies through its venture capital funds. Financial returns during the same period have already exceeded €1 billion.

Bertelsmann's Chief Financial Officer Rolf Hellermann commented: "Bertelsmann has a solid financial position. For the current financial year 2023, we expect a moderate to significant increase in revenues and a stable operating result."

Thomas Rabe added: "Since 2021, we have already invested 2.2 billion euros as part of our Boost plans to lift Bertelsmann to a significantly higher revenue and earnings level by 2026. We plan to increase our revenues to 24 billion euros and our EBITDA to four billion euros by 2026."

Overall, business investments increased to €2.2 billion in fiscal 2022 (previous year: €2.0 billion), partly due to the acquisition of Afya (€393 million).

For the past financial year 2022, Bertelsmann employees will receive profit shares and bonuses totaling €63 million (previous year: €89 million).

In accordance with the terms and conditions governing the Bertelsmann Profit Participation Certificate 2001 (ISIN DE0005229942), 15 percent on the basic amount is again scheduled to be paid out on May 9, 2023. The payout on the 1992 profit participation certificate (ISIN DE0005229900) will be 5.18 percent (previous year: 10.88 percent).

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

### Special items

Special items from continuing operations in fiscal 2022 amounted to -562 million euros (previous year: 963 million euros).

### Leverage Factor

At 1.8 (previous year: 1.3), the leverage factor remained well below the defined upper limit of 2.5 in the reporting period.

### Cash Flow

Cash flow from operating activities was 1.4 billion euros (previous year: 1.8 billion euros). Operating free cash flow amounted to 0.9 billion euros (previous year: 2.5 billion euros), while the cash conversion rate was 42 percent (previous year: 107 percent).

### Total Assets

Total assets at December 31, 2022 increased to €32.8 billion (previous year: €31.8 billion). Cash and cash equivalents amounted to €3.2 billion (previous year: €4.6 billion).

### Employees

At the end of the 2022 financial year, the Group employed 164,691 people worldwide (previous year: 145,027).

## Overview of Figures (in € millions)

	2022	2021
<b>Group revenues</b>	<b>20,245</b>	<b>18,696</b>
Operating EBITDA divisions	3,301	3,354
Corporate / Consolidation	-109	-113
<b>Operating EBITDA Continuing Operations</b>	<b>3,192</b>	<b>3,241</b>
Special items	-562	963
<b>Financial result</b>	<b>-258</b>	<b>-352</b>
<b>Earnings before taxes from Continuing Operations</b>	<b>1,295</b>	<b>2,972</b>
Income tax expense	-246	-662
<b>Earnings after taxes from Continuing Operations</b>	<b>1,049</b>	<b>2,310</b>
<b>Earnings after taxes from Discontinued Operations</b>	<b>3</b>	<b>-</b>
<b>Group profit</b>	<b>1,052</b>	<b>2,310</b>

Economic investments*	2,168	1,998
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	Balance as of 12/31/2022	Balance as of 12/31/2021
Economic debt	4,785	3,475

Division (in € millions)	Revenues		Operating EBITDA	
	2022	2021	2022	2021
RTL Group	7,224	7,016	1,323	1,416
Penguin Random House	4,223	4,030	666	755
BMG	866	663	195	144
Arvato	5,564	5,035	877	825
Bertelsmann Printing Group	1,448	1,319	26	60
Bertelsmann Education Group	622	283	192	86
Bertelsmann Investments**	535	589	22	68
<b>Total Divisions</b>	<b>20,482</b>	<b>18,935</b>	<b>3,301</b>	<b>3,354</b>
Corporate / Consolidation	-237	-239	-109	-113
<b>Total Group</b>	<b>20,245</b>	<b>18,696</b>	<b>3,192</b>	<b>3,241</b>

\* After taking into account the financial liabilities assumed and purchase price payments for increases in stakes in subsidiaries that were already fully consolidated.

\*\* The venture capital organization of Bertelsmann Investments is mainly managed on the basis of EBIT. EBIT of Bertelsmann Investments was €-70 million (previous year: €430 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 165,000 employees around the world and generated revenues of €20.2 billion in the 2022 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.

[www.bertelsmann.com](http://www.bertelsmann.com)

## **Bertelsmann online**



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