

Bertelsmann

Annual Results 2021

Investor Conference Call

March 31, 2022

Rolf Hellermann, Member of the Executive Board and CFO of Bertelsmann

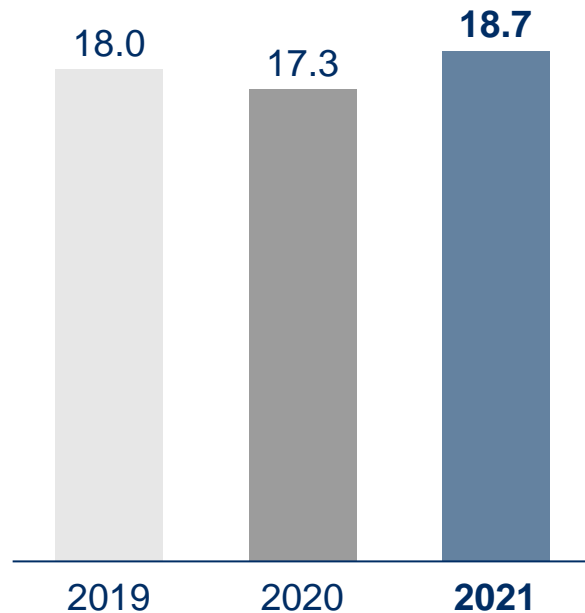
Bertelsmann FY 2021 – Highlights and key topics

- 1 Record performance** | Double-digit organic revenue growth | Record operating result of €3.2bn | Group profit at highest level since 2006
- 2 Strong financial position** | Leverage factor at 1.3x | Net financial debt below €1bn | Healthy maturity profile, high liquidity
- 3 Strong cash flow** | High cash conversion rate of 107% | Cash flow affected by voluntary funding of German Pension Plans
- 4 New strategic priorities** | National media champions | Global content | Global services | Online education | Investment portfolio
- 5 Strategy implementation** | Consolidation moves | Portfolio optimization | Boost initiatives launched
- 6 Portfolio transformation continued** | Stronger growth | More digital | More international | More diversified, less advertising-dependent
- 7 Outlook** | Market uncertainties, but robust portfolio | Moderate revenue growth | Stable operating result before streaming start-up costs

Group key figures – Organic revenue growth of 11.4%, EBITDA €>3bn for second time in a row, Group profit with €2.3bn at highest level since 2006

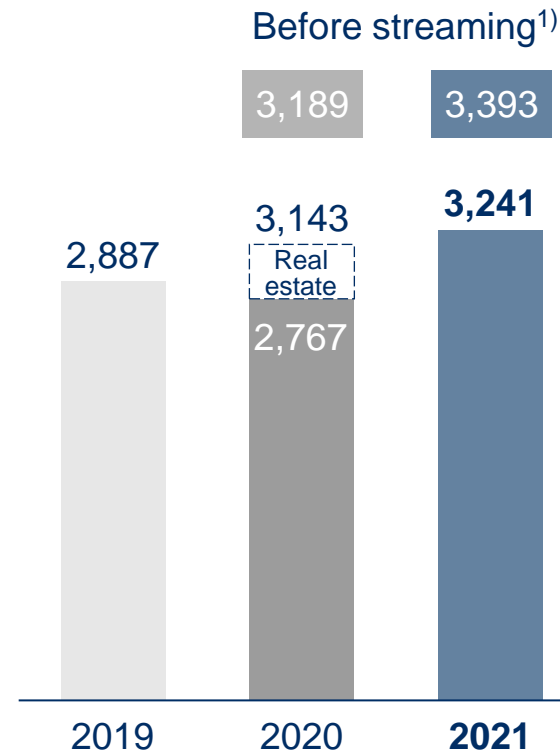
Revenues, in € billions

Reported vs. 2020	+8.1%
Organic vs. 2020	+11.4%
Organic vs. 2019	+9.0%

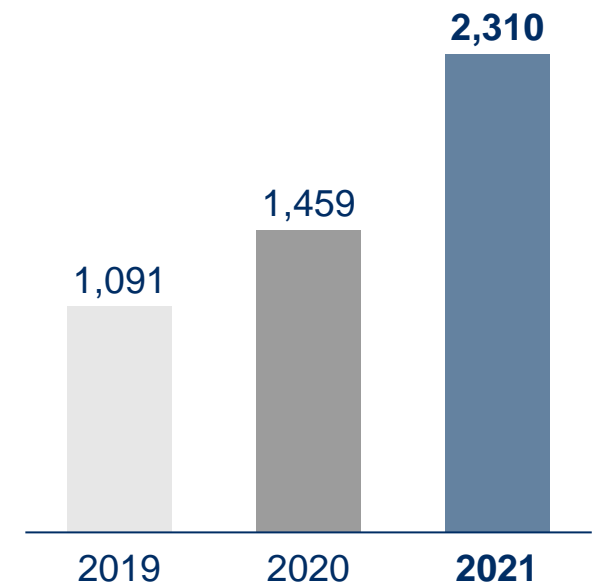


Operating EBITDA, in € millions

Margin	16.0%	18.2%	17.3%
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Group profit, in € millions



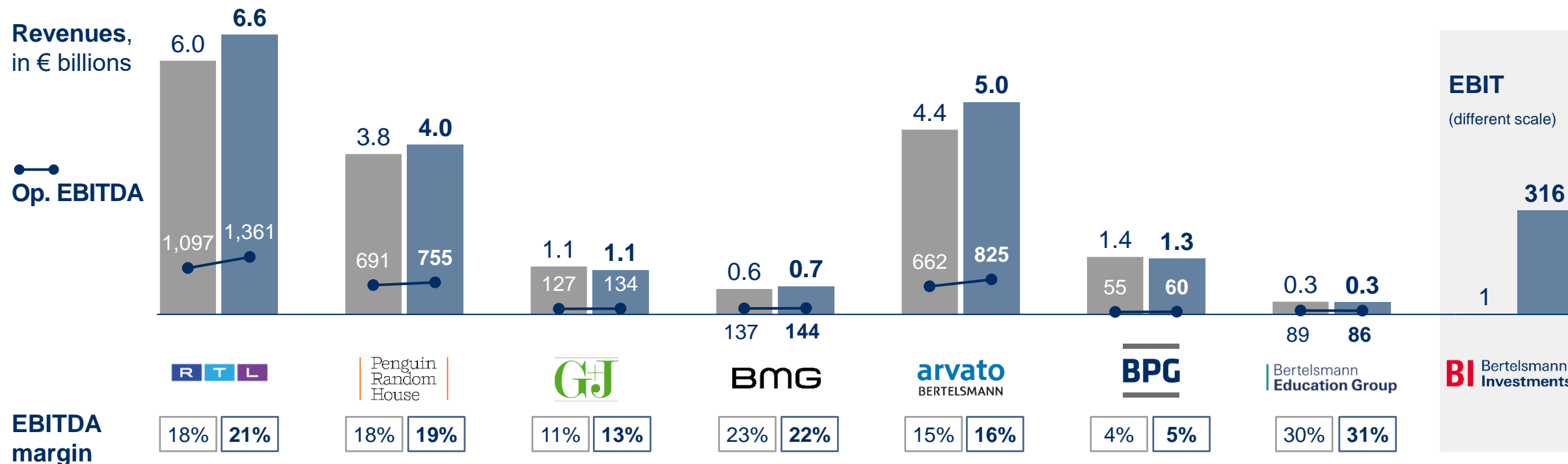
1) Start-up losses SVOD platforms RTL Group (RTL+, Videoland, Salto, Bedrock)

Divisions – Organic growth of all divisions except Bertelsmann Printing Group

in € millions

2020 2021

Reported	+10.3%	+6.0%	-7.4%	+10.1%	+14.9%	-3.1%	-6.0%
Organic Growth	+13.5%	+7.3%	+13.1%	+10.6%	+16.8%	-5.5%	+6.4%

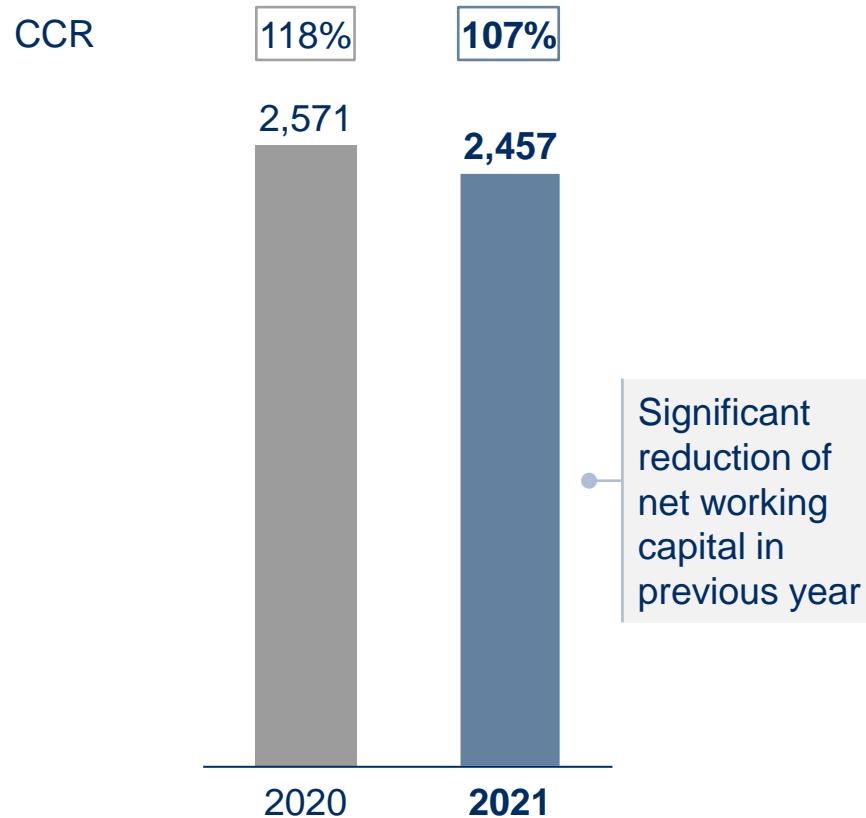


Group profit – Substantial increase primarily due to higher earnings, high capital gains and fair-value remeasurements

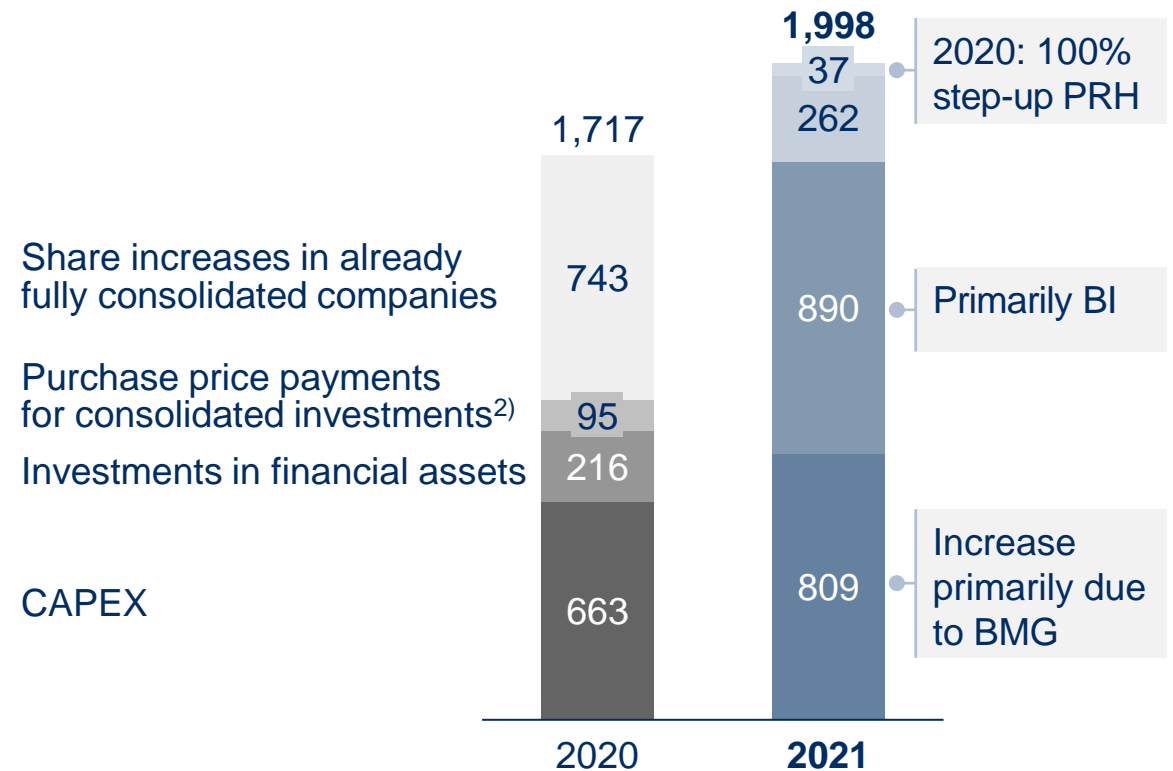
in € millions	2020	2021	Change	Comment
Operating EBITDA	3,143	3,241	+98	Record despite streaming Boost
Depreciation and amortization	-918	-880	+38	
Restructuring/other adjustments	-214	-301	-87	i.a. closure of Prinovis's printing site in Dresden
Impairments/reversals	-204	-5	+199	FY2020: i.a. Goodwill G+J Deutschland
Capital gains/losses and FV remeasurements	469	1.269	+800	Capital gains: SpotX, Ludia FV remeasurements: Super RTL, BI (Shiprocket, Eruditus)
∑ Special items	51	963	+912	
EBIT	2,276	3,324	+1,048	
Financial result	-339	-352	-13	i.a. expenses of bond buyback
Income taxes	-478	-662	-184	Increase also due to taxable capital gain at SpotX
Group profit	1,459	2,310	+851	

Further Group key figures – Strong cash flow, increased investments due to higher Capex and higher investments in financial assets

Operating free cash flow, in € millions



Total investments, in € millions¹⁾

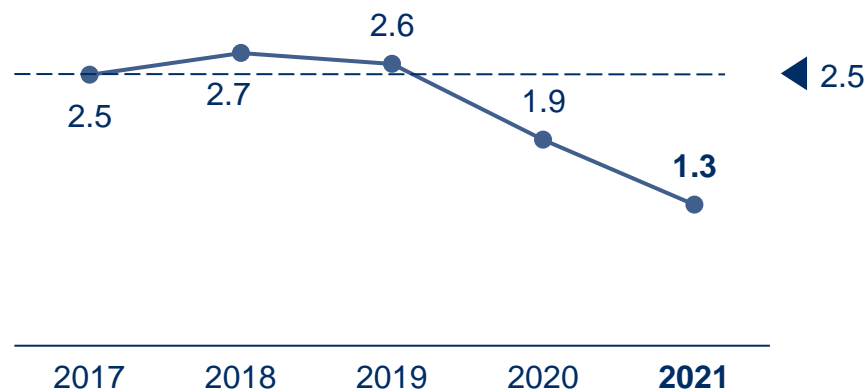


1) According to cash-flow statement including change in equity 2) Taking into account financial debt assumed

Financial status (I/II) – Economic debt substantially decreased further, leverage factor well below limit

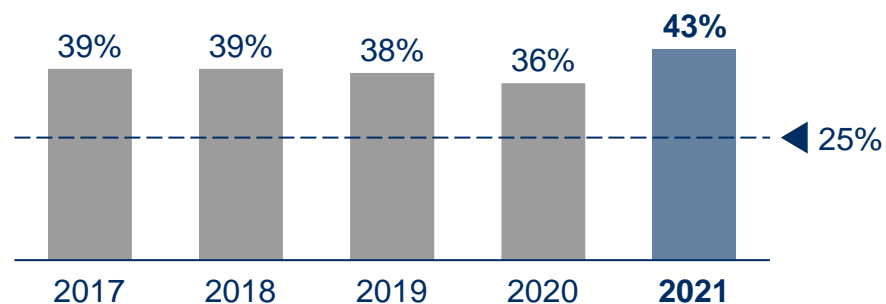
Leverage factor $\leq 2.5\times$

$\frac{\text{Economic debt}}{\text{Operating EBITDA}^{1)}$



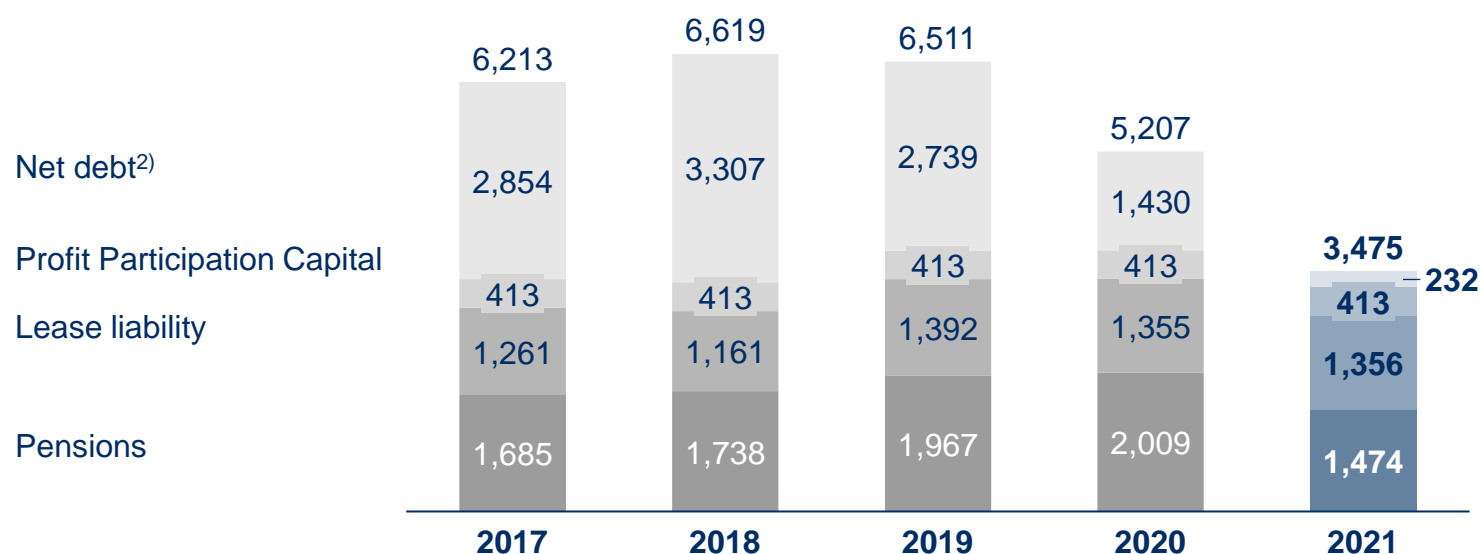
Equity ratio $\geq 25\%$

$\frac{\text{Equity}}{\text{Total assets}}$



1) After modifications 2) Less 50% par value of hybrid bonds and less investment in special fund

Economic debt, in € millions



Credit rating

MOODY'S
INVESTORS SERVICE

Baa2, outlook: stable

S&P Global
Ratings

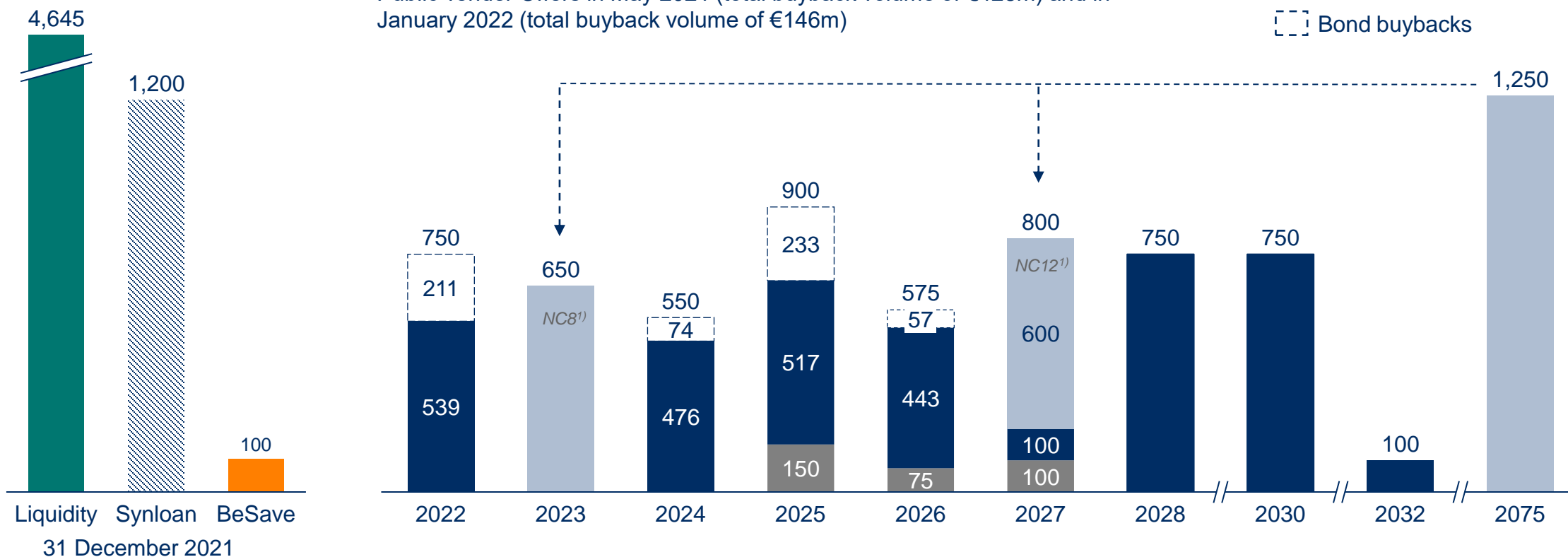
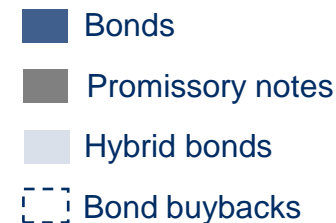
BBB, outlook: stable

Financial status (II/II) – Long-term oriented maturity profile, used excess cash for bond buybacks in '21/'22

in € millions

Financing activities FY 2021 and YTD 2022

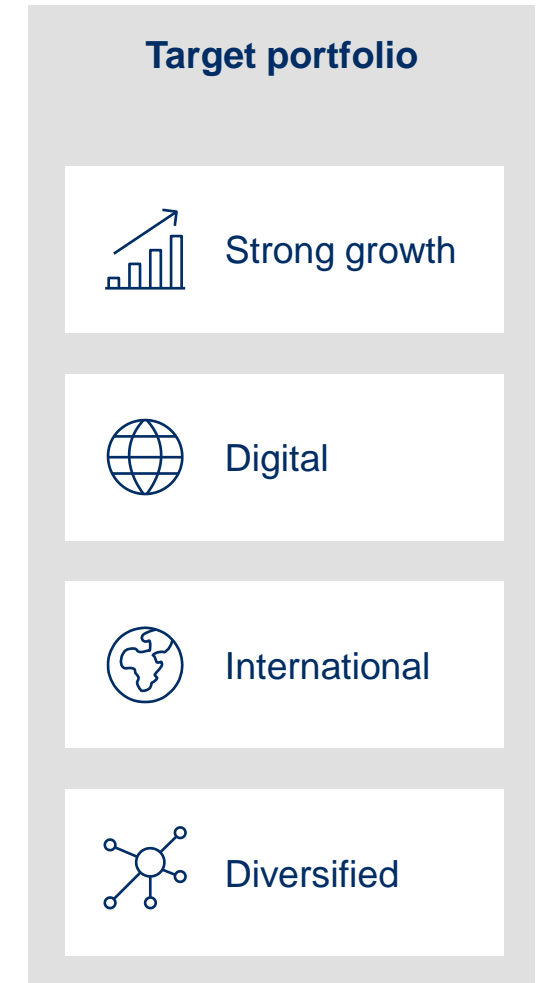
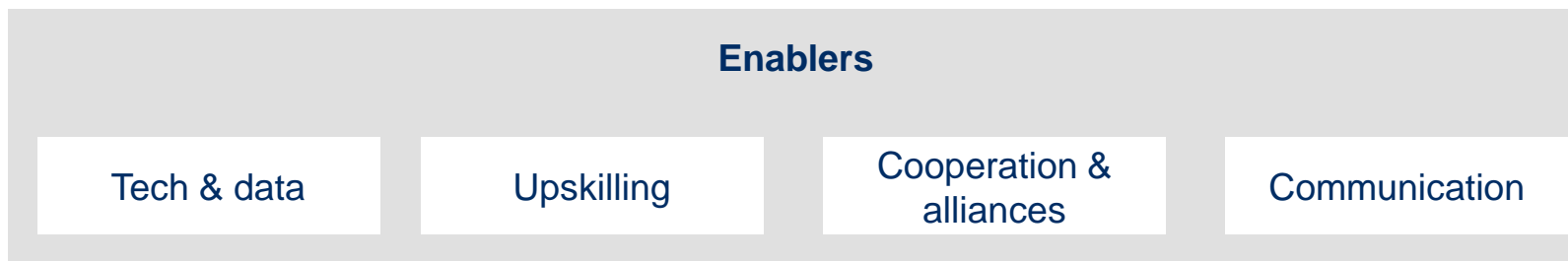
- Early redemption of €100m variable interest promissory note due in April 2023
- Early redemption of €500m bond due in May 2021
- Public Tender Offers in May 2021 (total buyback volume of €428m) and in January 2022 (total buyback volume of €146m)



1) Indication of first call date, for illustrative purposes only

Group strategy – Strategic framework along five strategic growth priorities

BOOST



Achievements 2021 – Substantial progress achieved in all strategic priorities

BOOST

Strategic growth priorities



Summary and outlook – Strong FY2021, focus in 2022 on accelerated implementation of growth strategy

2021

Key developments

- Organic revenue growth by +11%
- EBITDA at highest level of €3.2 billion
- Group profit of €2.3 billion
- Strategic progress along all growth priorities

2022

Outlook

- Moderate increase in revenues
- EBITDA before streaming stable at record level; including streaming start-up costs moderate decline
- Market uncertainty due to Covid-19-pandemic and geopolitical tensions in Eastern Europe

Q&A Session

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