

Bertelsmann

Annual Results 2022

Investor Conference Call

March 30, 2023

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

Bertelsmann FY 2022 – Highlights and key topics

- 1 Performance:** Revenues exceeded €20 billion mark | Operating EBITDA of €3.2bn | Group profit > €1bn
- 2 Financial position:** Leverage factor at 1.8x, well below limit | Maturity profile extended | Strong liquidity
- 3 Cash Flow:** Cash conversion impacted by normalization of working capital | High level of investments
- 4 Strategy:** National media champions | Global content | Global services | Education | Investment portfolio
- 5 Boost:** Program to accelerate implementation of Group strategy | Boost investments of €1.6bn in 2022
- 6 Portfolio transformation:** Fast-growing, digital, international, diversified | Improved portfolio quality through organic + acquisitive expansion
- 7 Outlook 2023:** Market uncertainties | Robust portfolio | Moderate to significant revenue increase, Operating EBITDA stable

Group key figures – Highest revenues in company history, stable Operating EBITDA despite higher streaming start-up losses, Group profit > €1bn

Revenues, in € billions

Reported	+8.3%
Organic	+4.1%



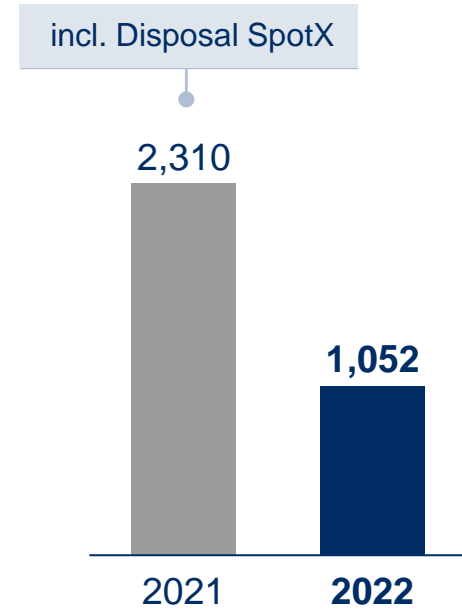
Operating EBITDA, in € millions

Margin	17.3%	15.8%
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Before streaming¹⁾
3,393 3,404

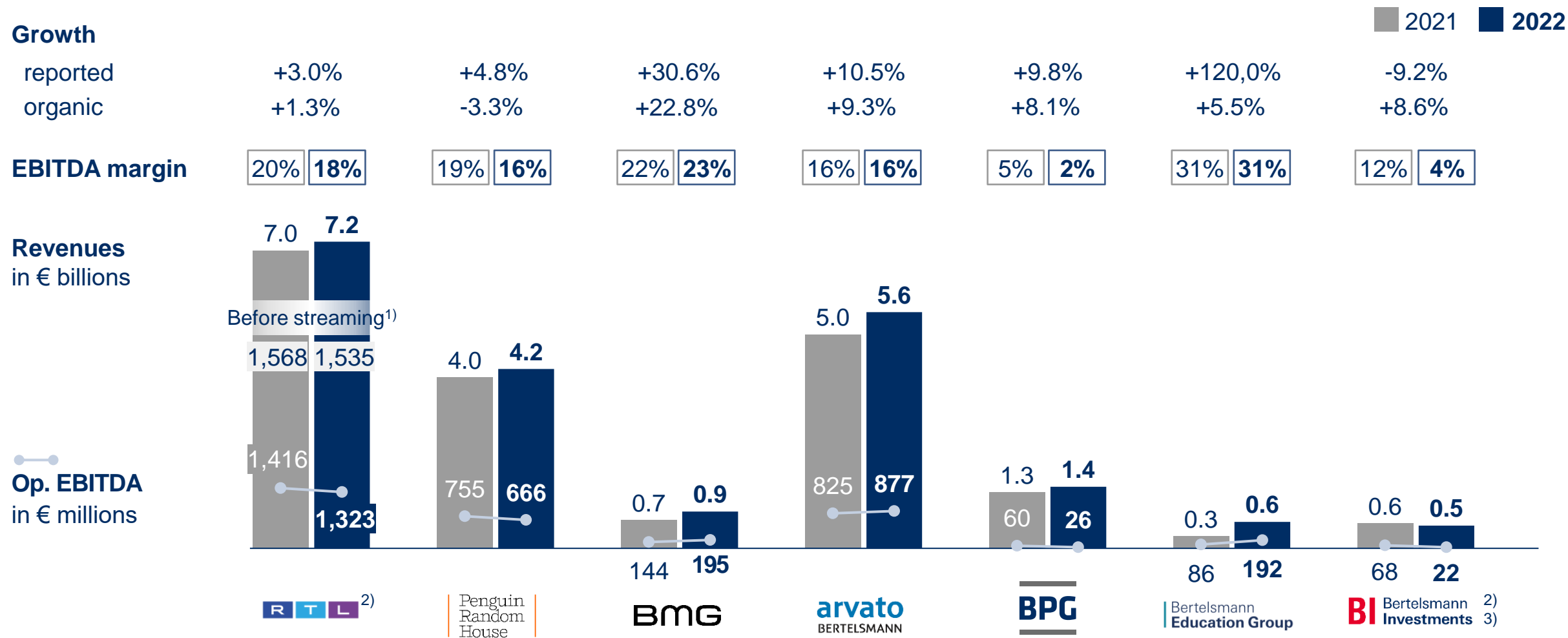


Group profit, in € millions



1) Start-up losses streaming platforms RTL Group (RTL+ DE, Videoland, RTL+ HU, Salto, Bedrock)

Divisions – Strong growth of music, services and education businesses, higher streaming start-up losses at RTL, market- and inflation-related declines at PRH



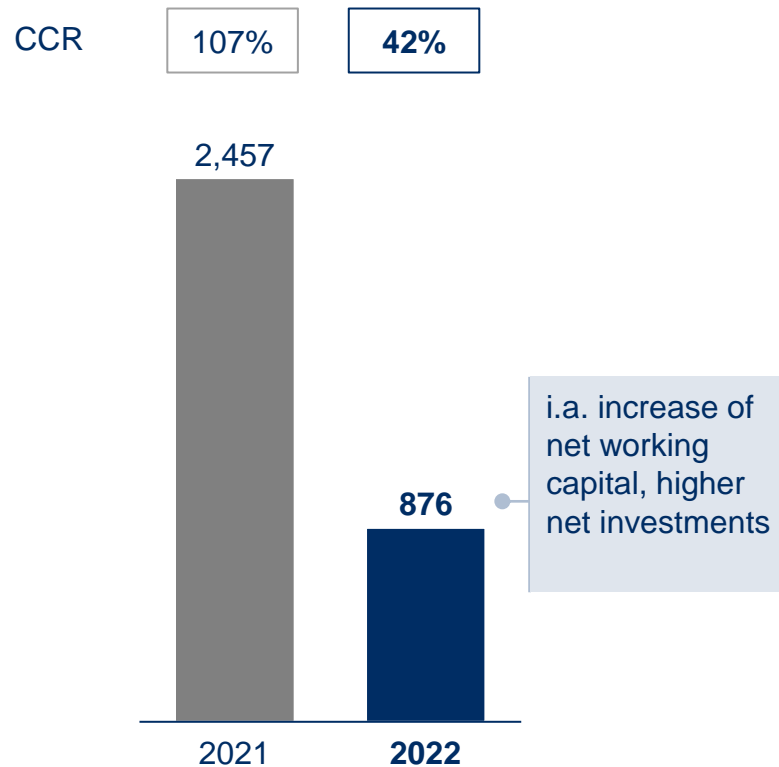
1) Start-up losses streaming platforms RTL Group (RTL+ DE, Videoland, RTL+ HU, Salto, Bedrock) 2) Previous year adjusted for former Gruner + Jahr companies 3) The business development of the venture capital organization of Bertelsmann Investments is determined primarily on the basis of EBIT. EBIT of Bertelsmann Investments amounted to €-70 million (previous year: €430 million).

Group profit – Exceeds billion-euro mark for the eighth consecutive year

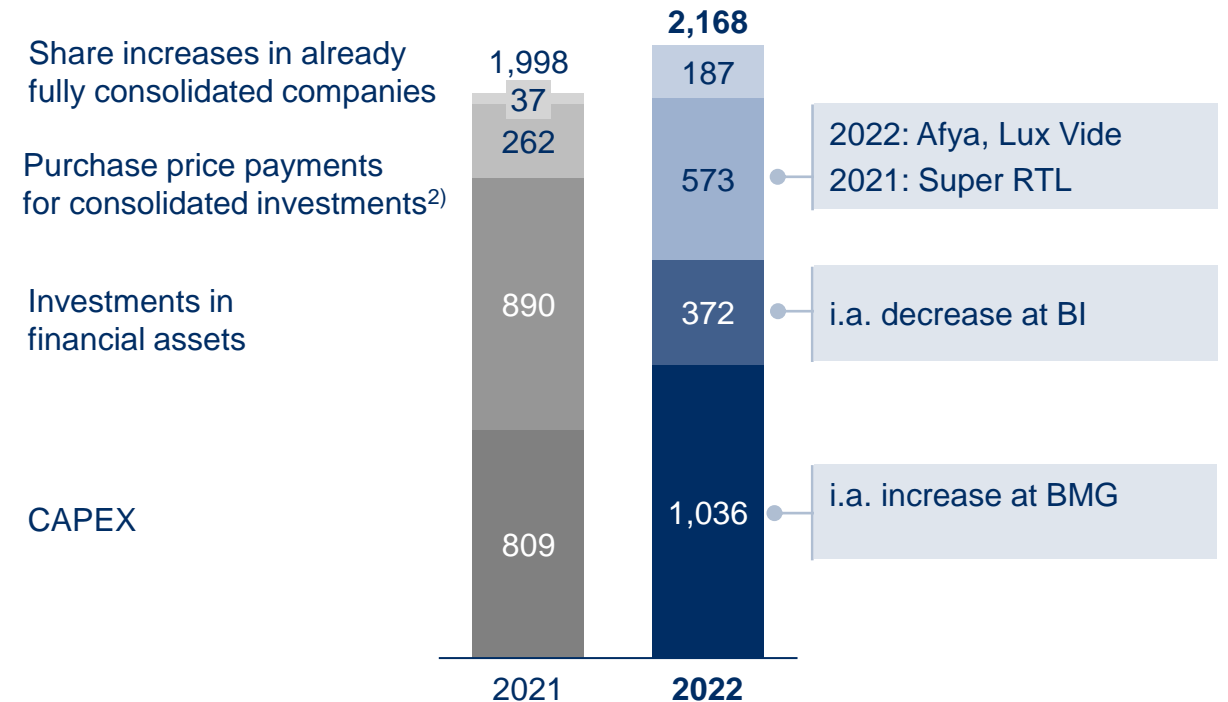
in € millions	2021	2022	Change	Comment
Operating EBITDA	3,241	3,192	-49	i.a. higher streaming start-up losses
Depreciation and amortization	-880	-1,077	-197	
Restructuring/other adjustments	-301	-420	-119	i.a. termination fee Simon & Schuster
Impairments/reversals	-5	-46	-41	
Capital gains/losses and FV remeasurements	1.269	-96	-1,365	FY 2021: high capital gains (SpotX, Ludia) and FV remeasurements (Super RTL, Bertelsmann Investments)
∑ Special items	963	-562	-1,525	
EBIT	3,324	1,553	-1,771	
Financial result	-352	-258	+94	
Income taxes	-662	-246	+416	mainly due to lower special items in 2022
Earnings after taxes from discontinued operations	n/a	3	+3	
Group profit	2,310	1,052	-1,258	

Further Group key figures – Cash flow impacted by increased net working capital, high level of investments maintained

Operating free cash flow, in € millions



Economic investments¹⁾, in € millions

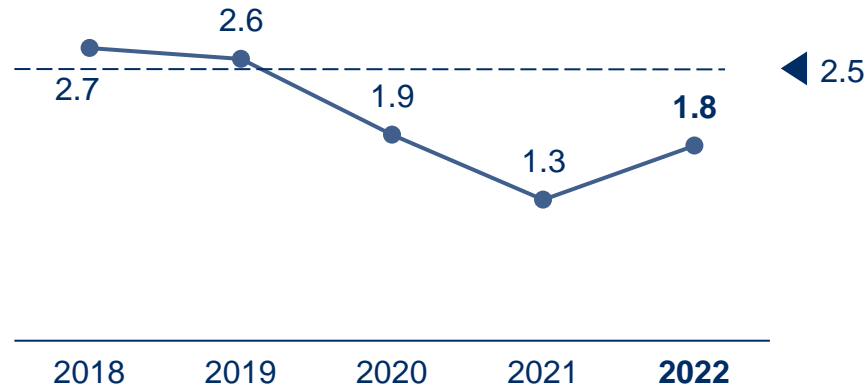


1) According to cash-flow statement including change in equity 2) Taking into account net financial debt assumed

Financial status (I/II) – Leverage factor well below limit, higher economic debt despite significantly lower pensions due to loss of equity credit for hybrid bonds

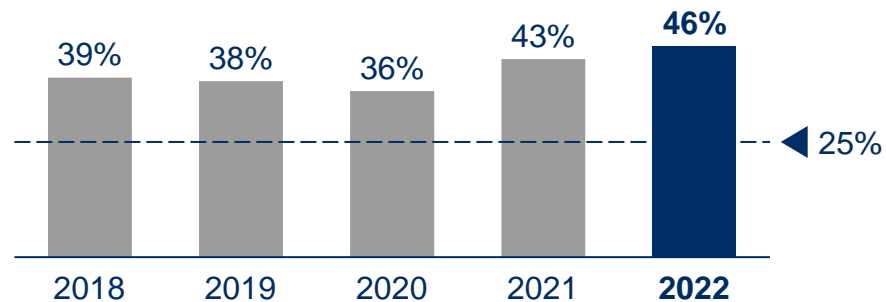
Leverage factor ≤ 2.5

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

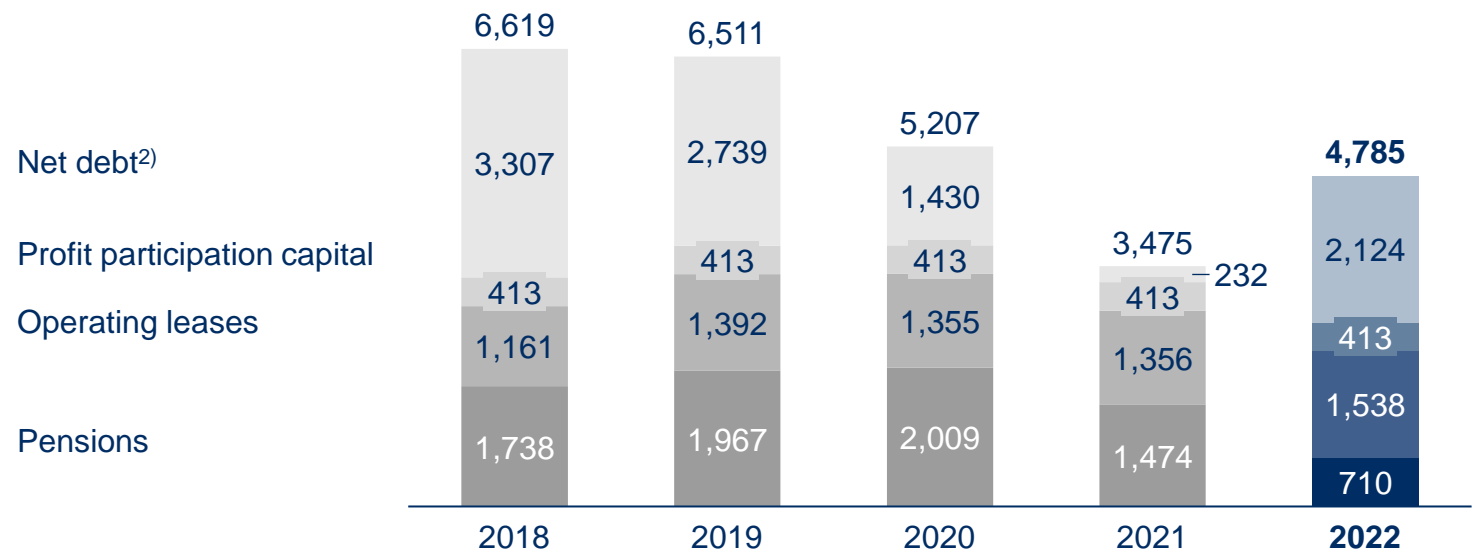


Equity ratio $\geq 25\%$

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



Economic debt, in € millions



Credit rating

MOODY'S
INVESTORS SERVICE

Baa2, outlook: stable

S&P Global
Ratings

BBB, outlook: stable

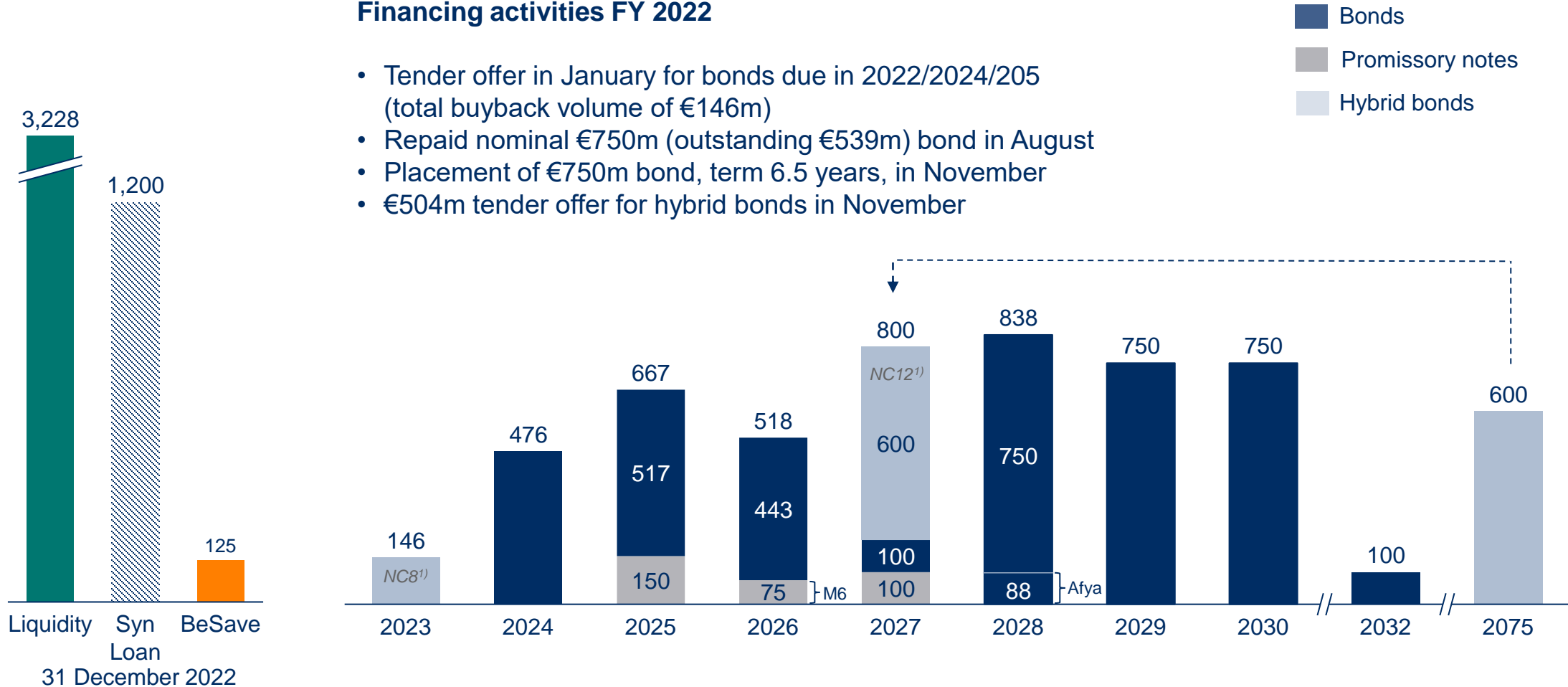
1) After modifications 2) Less 50% par value of hybrid bonds (until FY 2021) and less investment in special fund

Financial status (II/II) – Sound financial position, maturity profile extended in 2022, hybrid due in April 2023 called in March 2023

in € millions

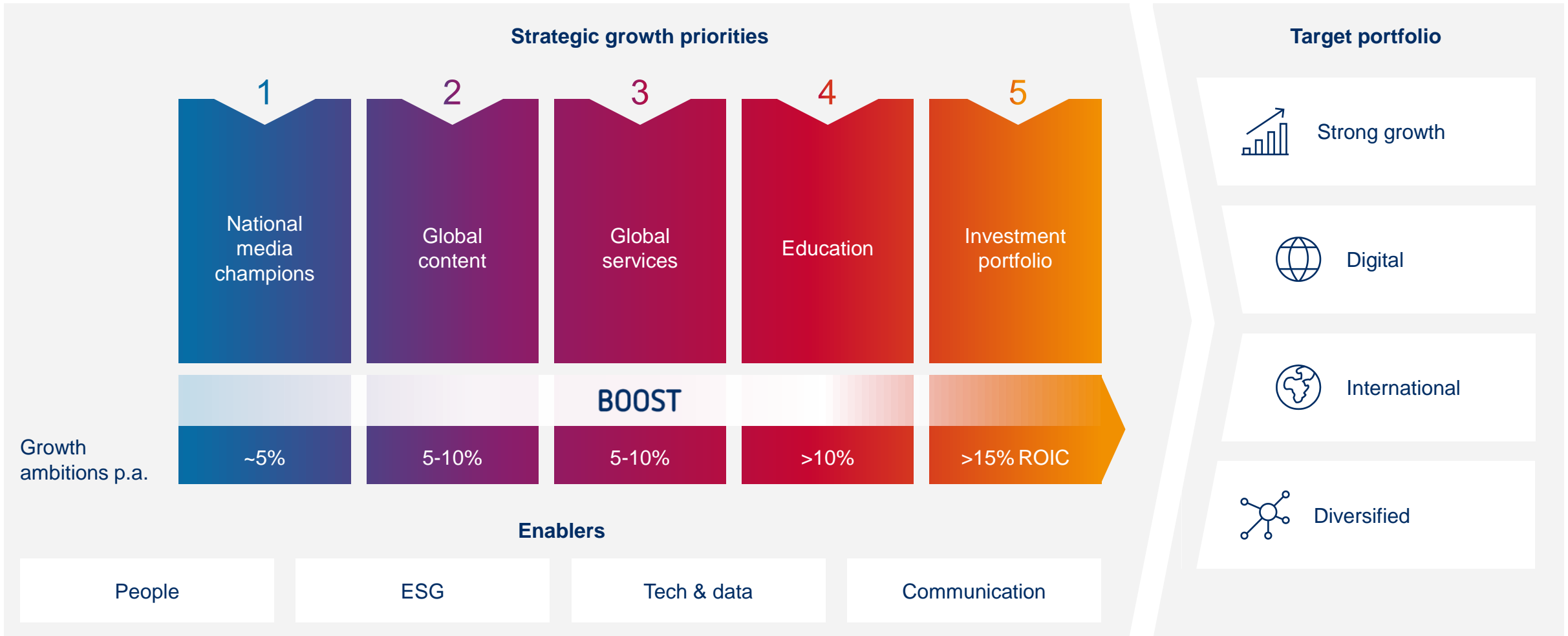
Financing activities FY 2022

- Tender offer in January for bonds due in 2022/2024/205 (total buyback volume of €146m)
- Repaid nominal €750m (outstanding €539m) bond in August
- Placement of €750m bond, term 6.5 years, in November
- €504m tender offer for hybrid bonds in November

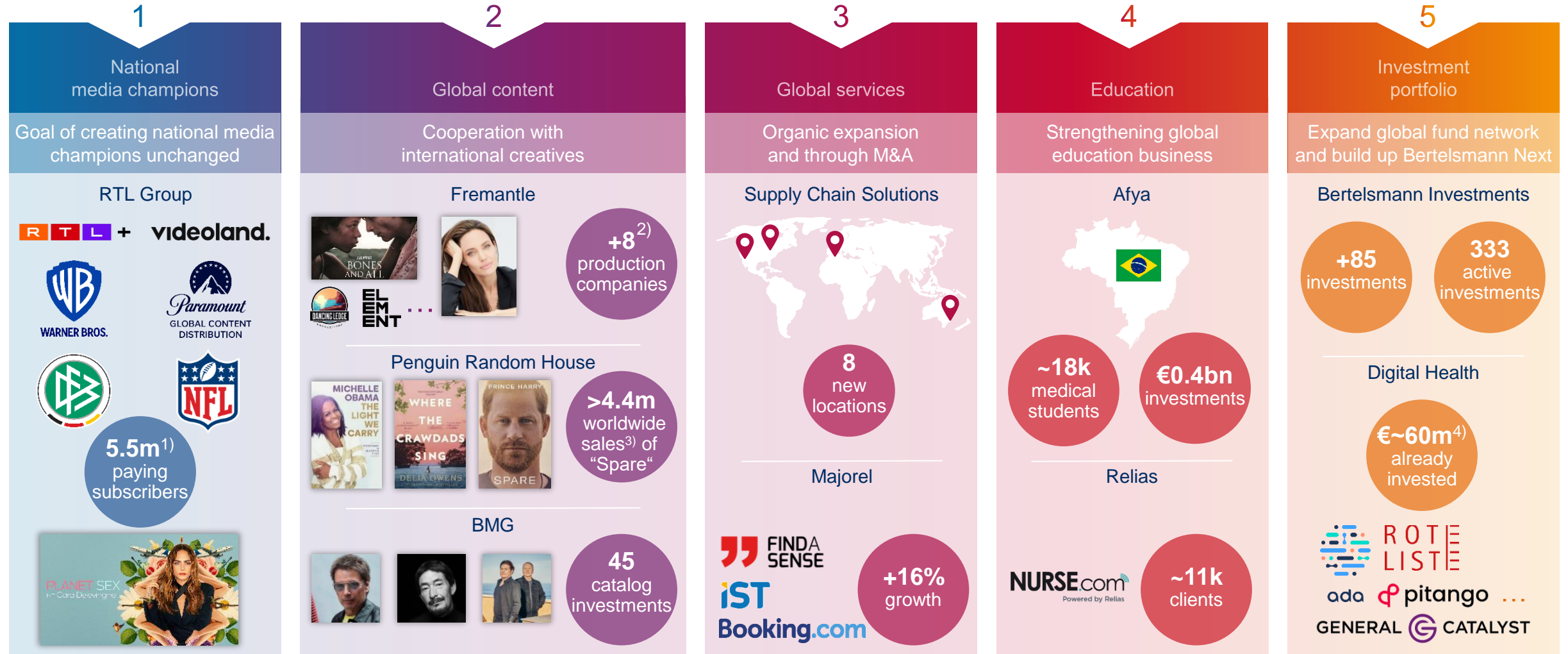


1) Indication of first call date, for illustrative purposes only

Group strategy – Strategic framework since 2021, Boost program to accelerate implementation of Group strategy



Strategic progress – Substantial Boost investments of €1.6bn in 2022



1) As of December 2022 2) Incl. share increases 3) Since publication on January 10, 2023 4) Including capital commitments

Summary and outlook – Further increase in revenues, stable Operating EBTIDA

2022

Key developments

- Revenues exceeded €20 billion mark
- Stable EBITDA at high level of €3.2 billion
- €1.6 billion Boost investments
- Strategic progress along all growth priorities

2023

Outlook

- Moderate to significant increase in revenues
- Operating EBITDA stable
- Market uncertainty remains due to geopolitical tensions and high inflation
- Continued implementation of Boost program

Q&A Session

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