

Bertelsmann

Annual Results 2023

Investor Conference Call

March 26, 2024

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

Bertelsmann FY 2023 – Highlights and key topics

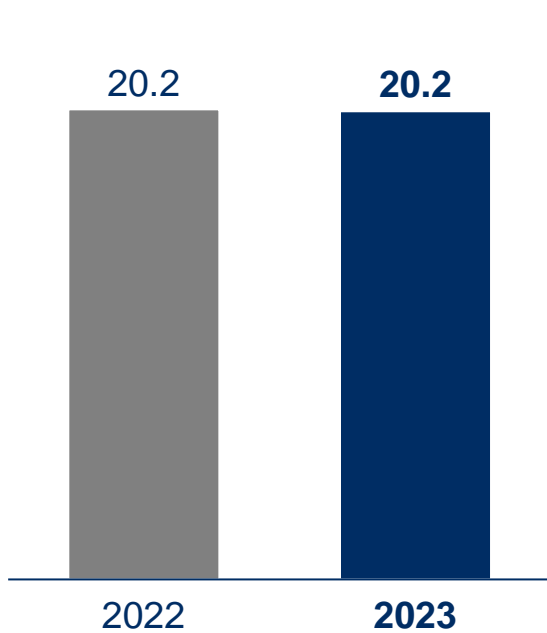
- 1 Performance:** Revenue above €20 billion mark | Operating EBITDA adjusted slightly down to €3.1bn | Group profit of €1.3bn
- 2 Financial position:** Leverage factor at 1.8, well below limit | Maturity profile long-term oriented | Strong liquidity
- 3 Cash Flow:** Cash conversion improved | Higher level of operating free cash flow | Lower increase in net working capital
- 4 Strategy:** National media champions | Global content | Global services | Education | Investments
- 5 Boost:** Program to accelerate implementation of Group strategy | Boost investments 2021-2023 totaling €3.9bn
- 6 Portfolio transformation:** Fast-growing, digital, international, diversified | Improved portfolio quality through organic + acquisitive expansion
- 7 Outlook 2024:** Market uncertainties | Robust portfolio | Moderate revenue and earnings increase on a comparable basis

Group key figures – Revenue once again >€20bn, operating EBITDA adjusted >€3bn, Group profit above previous year

in € millions

Revenue, in € billions

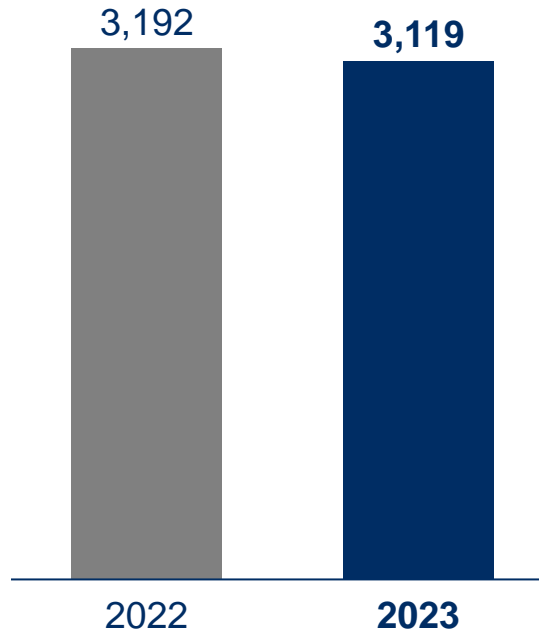
Reported	-0.4%
Organic	+0.8%



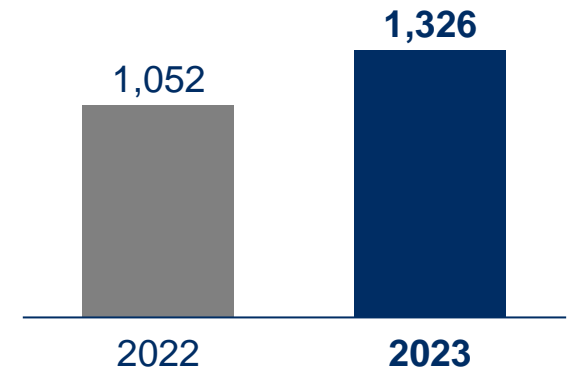
Operating EBITDA adjusted

Before streaming¹⁾

2022	3,393
2023	3,264



Group profit



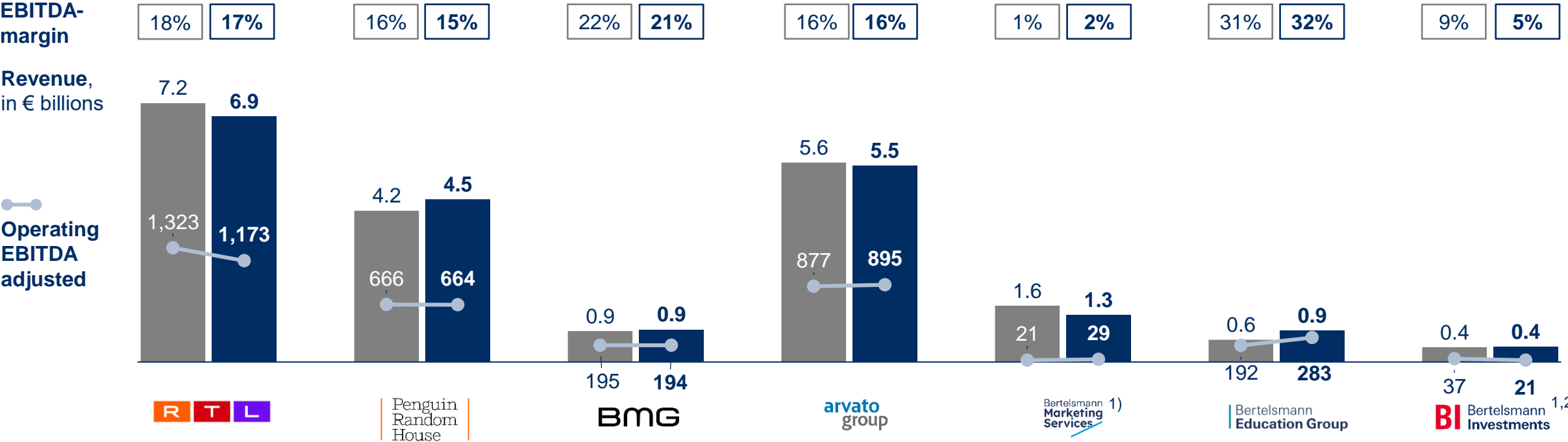
1) Start-up losses streaming businesses RTL Group (RTL+ DE and HU, Bedrock, Salto and 6play FR in 2022)

Divisions – Revenue growth at PRH, BMG, Bertelsmann Education Group and BI; EBITDA down mainly due to declines at RTL Group and disposal of Majorel shares

in € millions ■ 2022 ■ 2023

Revenue growth compared to previous year

Reported	-5.1%	+7.3%	+4.6%	-1.6%	-16.2%	+40.9%	+5.0%
Organic	-4.0%	+5.6%	+5.7%	+5.9%	-15.9%	+8.7%	+4.1%



1) Previous year adjusted 2) The business development of the venture capital business of Bertelsmann Investments is determined primarily on the basis of EBIT. EBIT of Bertelsmann Investments amounted to €-219 million (previous year: €-51 million).

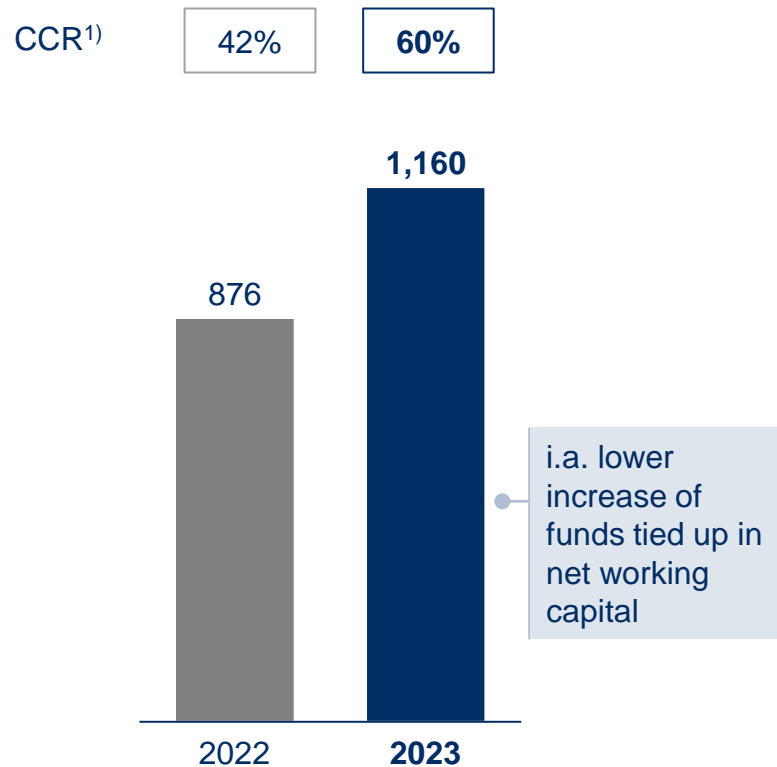
Group profit – Increase due to high capital gains, higher expenses for restructuring and other adjustments

in € millions

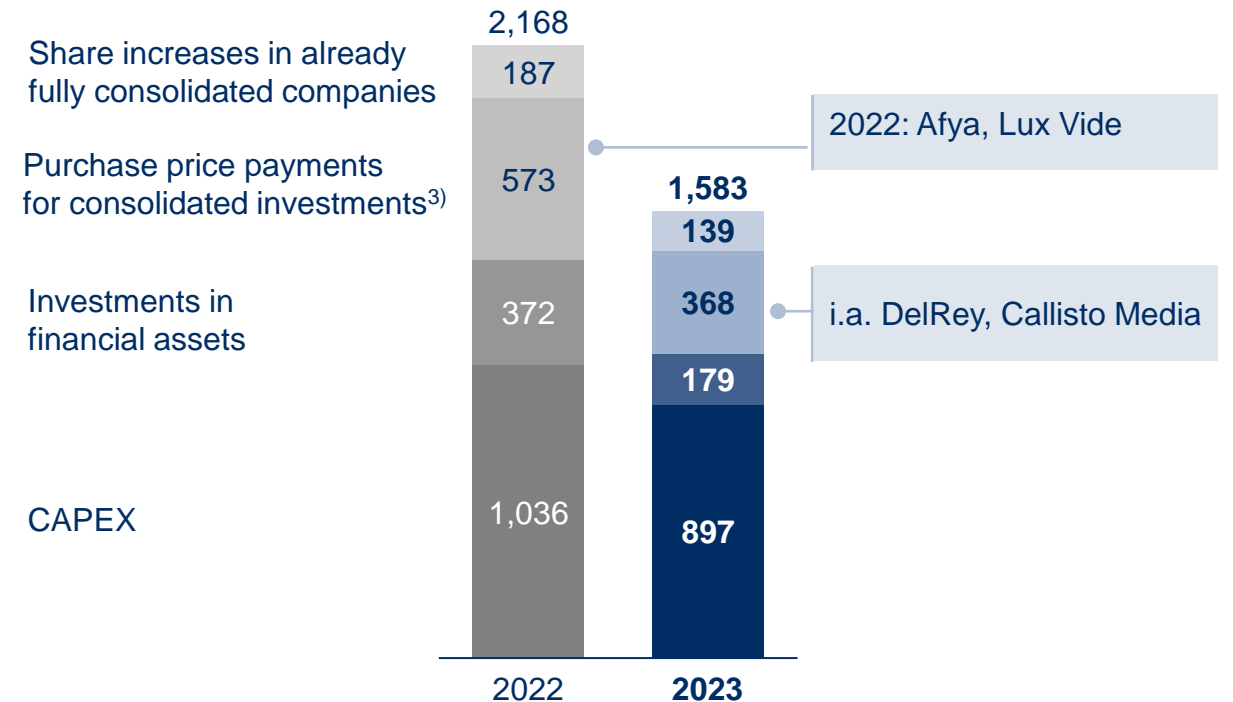
	2022	2023	Change	Comment
Operating EBITDA adjusted	3,192	3,119	-74	Positive performance of service and education businesses, decline of TV businesses und negative exchange rate effects
Depreciation and amortization	-1,077	-1,131	-54	
Restructuring/other adjustments	-420	-549	-129	Reorganization costs (Publishing at RTL DE, PRH US) and site closures of print businesses
Impairments/reversals	-46	-42	+4	
Capital gains/losses and FV remeasurements	-96	502	+599	High capital gains (Majorel)
Special items	-562	-88	+474	
EBIT	1,553	1,899	346	
Financial result	-258	-337	-78	i.a. Sourcebooks, Afya
Income taxes	-246	-237	+10	
Earnings after taxes from discontinued operations	3	-	-3	
Group profit	1,052	1,326	+274	

Further Group key figures – High operating free cash flow, lower increase in net working capital, level of investments below high previous year due to Afya in 2022

Operating free cash flow¹⁾, in € millions



Total investments²⁾, in € millions

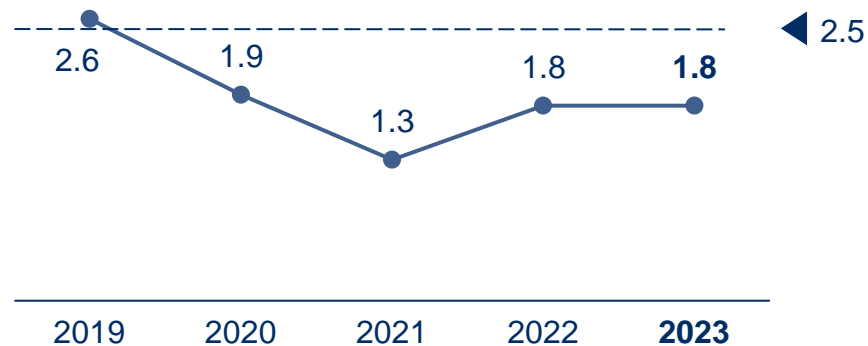


1) Adjusted 2) According to cash-flow statement including change in equity 3) Including financial debt assumed

Financial status (I/II) – Leverage factor well below limit, decrease of operating leases due to Majorel disposal

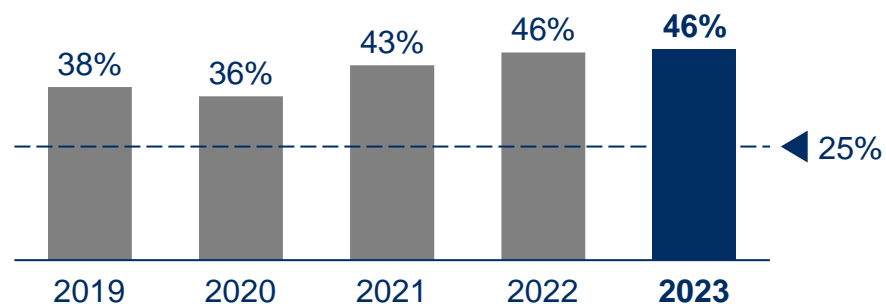
Leverage factor ≤ 2.5

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

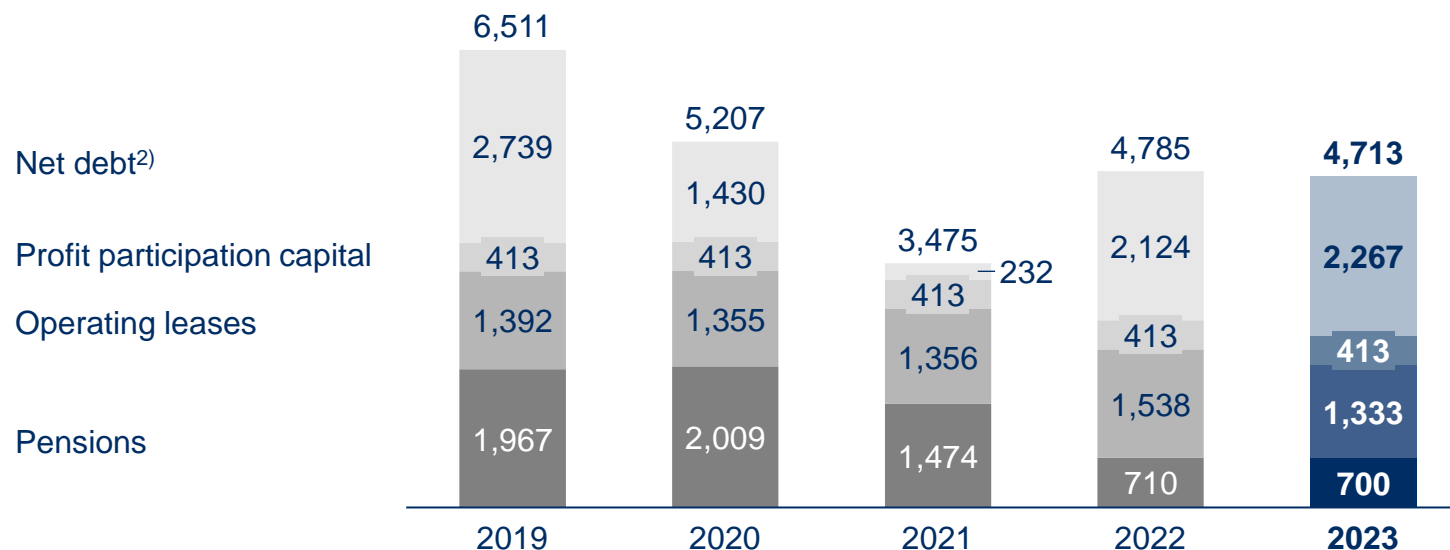


Equity ratio $\geq 25\%$

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



Economic debt (in € millions)



Credit rating

MOODY'S
INVESTORS SERVICE

Baa2, outlook: stable

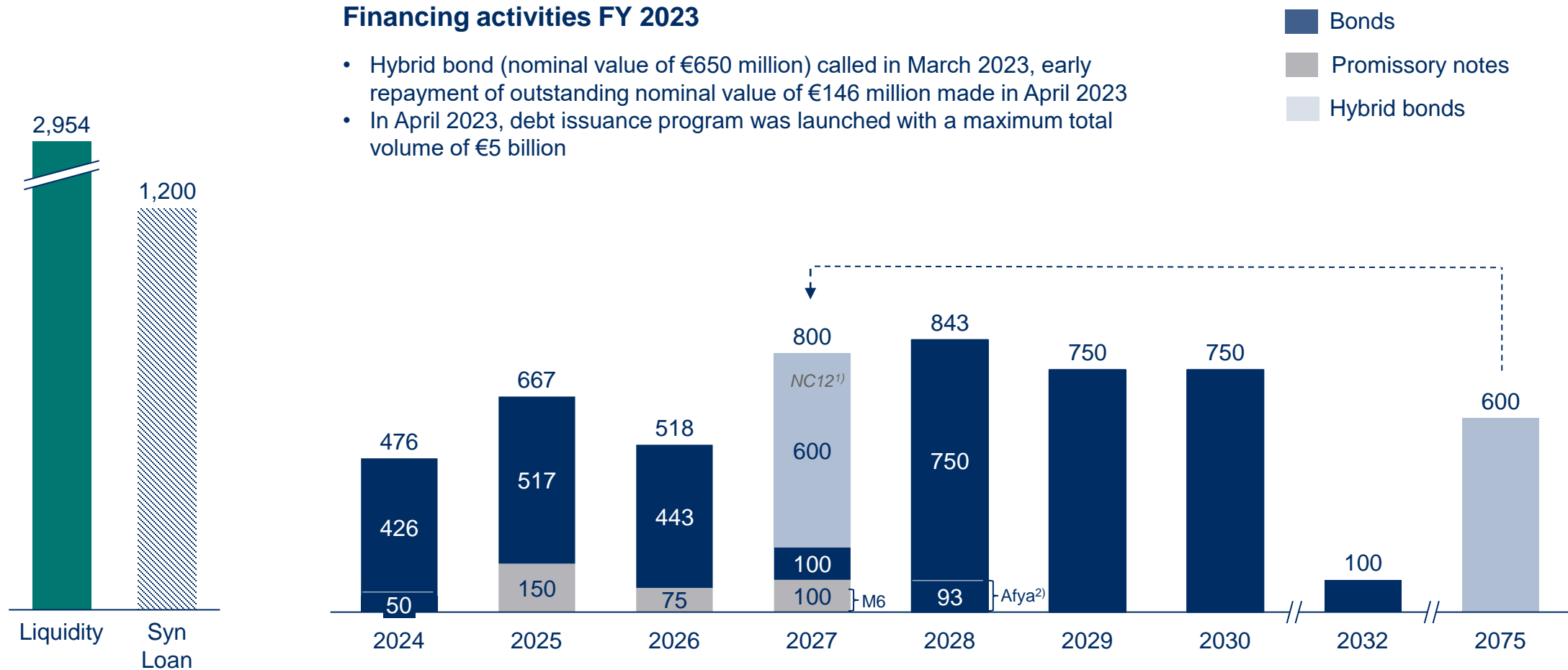
S&P Global
Ratings

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, long-term oriented maturity profile

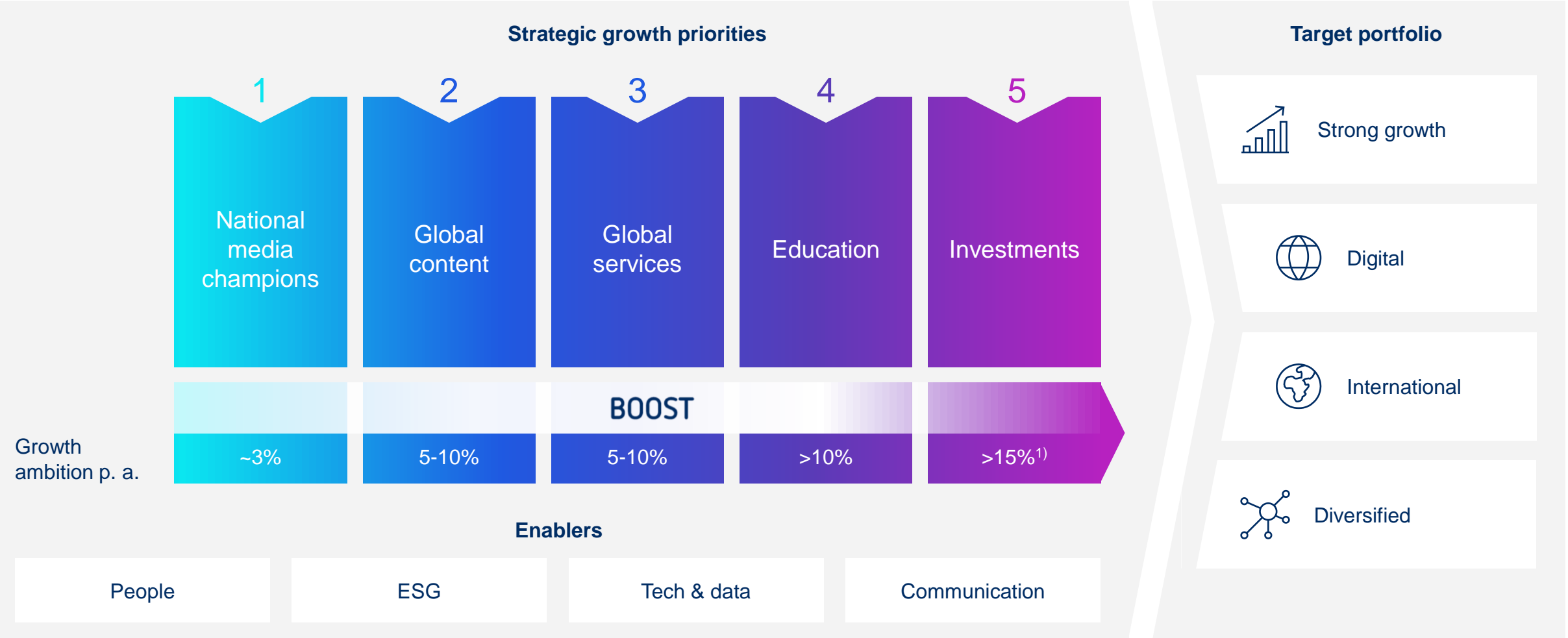
in € millions



December 31, 2023

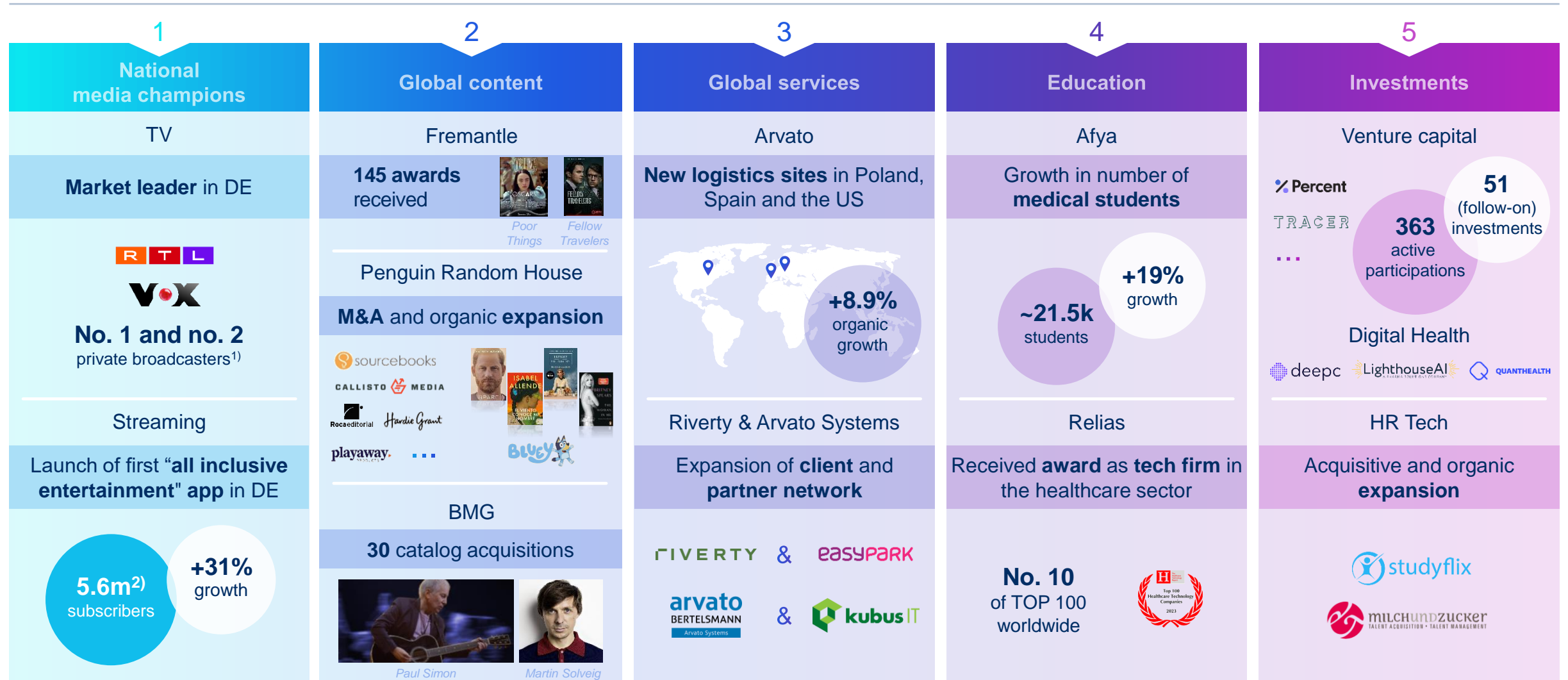
1) Indication of first call date, for illustrative purposes only 2) As of 31 Dec 2023 (BRL500)

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



1) ROIC

Strategic progress – Continuous progress along strategic priorities



1) Advertising-relevant target group 2) Paying subscribers RTL+ DE, RTL+ HU and M6+ (formerly 6play); as of December, 31 2023

Bertelsmann Group strategy – Growth in four dimensions

BOOST

Accelerate organic and acquisitive **growth** of **existing businesses**

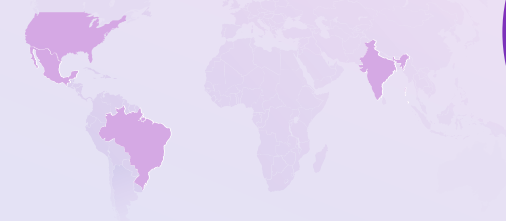
€5-7bn
investments
2021-2026

National media champions | Global content | Global services | Education | Investments

Regional BOOST

In addition to the US, review **expansion** of selected businesses in **Brazil, India** and **Mexico**

Focus:
Services, education



Next

Develop new businesses with €1bn revenue in the long term

Focus:
Digital Health



Breakout

Merge existing businesses with other companies:

- **Accelerated growth**
- Expansion of **value chain**
- Creating value through **synergies**

Focus:
Education



Summary and outlook – High Boost investments, growth of continued businesses expected for 2024

2023

Key developments

- Revenue at €20.2bn despite sale Majorel
- Operating EBITDA adjusted of €3.1bn
- Group profit increased by 26%
- Boost investments of €1.4bn

2024

Outlook

- Moderate revenue and earnings increase on a comparable basis¹⁾
- Further progress along strategic growth priorities
- Continued Boost investments

1) Strong revenue and earnings decline in reported figures due to the realised sale (Majorel) and planned sales (RTL Nederland, DDV Mediengruppe)

Q&A Session

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