

Selected Terms at a Glance

Alternative Performance Measures

Additional financial measures that are not directly specified by financial reporting regulations. These are determined by means of a company-specific reconciliation and are based on mandatory (IFRS) measures.

Bertelsmann Value Added (BVA)

A performance indicator for assessing the profitability of operations and return on invested capital. BVA is calculated as the difference between net operating profit after tax (NOPAT) and the cost of capital. NOPAT is calculated on the basis of operating EBITDA. By deducting amortization, depreciation, impairment and reversals, and adjusting for special items, and after modifications and less a flat tax, NOPAT, which is used as the basis for calculating BVA, is determined. Cost of capital is the product of the weighted average cost of capital (WACC, where uniform WACC after taxes is 8 percent) and the level of capital invested (Group's operating assets less non-interest-bearing operating liabilities).

Cash Flow

A company's cash inflows and outflows during a specific period.

Contractual Trust Arrangement (CTA)

The concept of funding and insolvency protection of pension obligations by transferring assets into a structure similar to a trust. Assets are classified as plan assets under IFRS and are netted against the company's pension obligations.

Corporate Governance

The term for responsible corporate management and control in the interest of creating sustainable value.

Coverage Ratio

The (interest) coverage ratio is a financing target. It represents the ratio of operating EBITDA to financial result. Amounts reported in the Annual Financial Statements are modified in calculating the coverage ratio.

Equity Method

The equity method is a method of accounting to recognize associates and joint ventures, whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets.

Goodwill

Goodwill represents the future economic benefits arising from those assets acquired in a business combination that are not individually identified and separately recognized.

IFRS

Abbreviation of International Financial Reporting Standards. Accounting standards intended to ensure internationally comparable accounting and reporting.

Leverage Factor

The leverage factor is the ratio of economic debt to operating EBITDA. In order to enable Bertelsmann's actual financial strength to be reflected on an economic level, the figures reported in the Consolidated Financial Statements are modified.

Operating EBITDA

Earnings before interest, taxes, amortization, depreciation, impairment and reversals, and special items.

Rating

An expression of the creditworthiness of a creditor or financial instrument by an agency specialized in evaluating credit risk.

SE & Co. KGaA

A partnership limited by shares (KGaA) with a European stock corporation (Societas Europaea, or SE) as the general partner. The general partner is responsible for the management and representation of the KGaA.

Special Items

Income and expense items that are distinguished by their nature, amount or frequency of occurrence, and the disclosure of which is relevant for assessing the earnings power of the company or its segments in the period affected. They include, for example, restructuring measures, impairments and capital gains or losses. Not included in the special items are disposal effects of strategic real estate transactions.

Syndicated Credit Facility

A credit facility involving a consortium of banks.

Financial Calendar

May 6, 2021

Announcement of figures for the first three months of 2021

May 7, 2021 (expected)

Payout of dividends on profit participation certificates for the 2020 financial year

August 31, 2021

Announcement of figures for the first half of 2021

November 4, 2021

Announcement of figures for the first nine months of 2021

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