

PRESS RELEASE

Bertelsmann Will Drive Growth of Penguin Random House Without Simon & Schuster

- **Book business to grow organically and through acquisitions**
- **Substantial investment funds for the Boost strategy**

Gütersloh / New York Nov 21, 2022 – Bertelsmann will advance the growth of its global book publishing business without the previously planned merger of Penguin Random House and Simon & Schuster. As part of the international media, services and education group's global content strategy, Penguin Random House, too, will grow significantly in the years ahead, both organically and through acquisitions. The proposed merger of the two book publishing groups was blocked by the U.S. District Court in Washington, D.C., a few weeks ago. Following discussions with Simon & Schuster shareholder Paramount Global, Bertelsmann will not pursue its original plan of appealing against the ruling.

Thomas Rabe, Chairman & CEO of Bertelsmann, commented: "The book business has been part of Bertelsmann's identity for 187 years, and this will not change: Penguin Random House is part of the Global Content Strategy, one of our five strategic priorities. Bertelsmann plans to achieve annual growth of five to ten percent in this area – organically, but also through acquisitions. In total, Bertelsmann will invest between five and seven billion euros in the growth of its businesses in the years ahead as part of its Boost Plan. Significant investment funds will be available to Penguin Random House as well."

Penguin Random House last generated record revenues of €4 billion in fiscal year 2021. The global book publishing group employs some 10,000 people. Its 300 book publishing companies in 20 countries release around 16,000 new titles every year. The group sells more than 700 million books a year. In November 2020, Bertelsmann and Paramount Global (then Viacom CBS) had announced plans to combine their global book businesses. While the U.K. Competition & Markets Authority (CMA) had already approved the transaction in May 2021, the U.S. Department of Justice (DoJ) filed a lawsuit against the proposed merger in November 2021. This action was upheld by the U.S. District Court in Washington D.C. on October 31, 2022.

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 145,000 employees and generated revenues of €18.7 billion in the 2021 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.

Bertelsmann online



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