

The background of the entire page is a dark, almost black, color. It is adorned with several large, vibrant blue irises. The petals are a rich, saturated blue, and the centers of the flowers show orange-brown stamens. The lighting highlights the texture of the petals, giving them a slightly glossy appearance. The irises are scattered across the frame, with some in full bloom and others partially visible.

**BASTEI LÜBBE AG
GROUP
QUARTERLY
STATEMENT
1 APRIL –
30 JUNE 2021**

Lisa Unger
DIE FOLGSAME TOCHTER

At a glance

	01/04/2021- 30/06/2021	01/04/2020- 30/06/2020	Change
Financial indicators (IFRS) in EUR millions			
Revenues	19.2	18.5	3.6%
EBIT	2.0	1.6	28.6%
EBIT margin (%)	10.6%	8.5%	2.1 pp
Net profit for the period from continuing operations	1.3	1.0	34.1%
Net profit for the period from discontinued operations	–	0.6	–
Consolidated earnings	1.3	1.6	-17.9%
	30/06/2021	31/03/2021	
Total assets	92.9	90.1	3.0%
Equity*	44.0	42.6	3.1%
Equity ratio (%)	47.3%	47.3%	0.0 pp
Net financial assets	12.1	9.7	24.7%
Other indicators			
Earnings per share** (in EUR)	0.10	0.09	9.4%

* including non-controlling interests

Economic report

Underlying conditions

The European economy is recovering more swiftly than expected. In its summer forecast, the EU Commission expects the Eurozone economy to grow by 4.8% this year and by 4.5% in 2022.¹

The coronavirus pandemic continued to cast a shadow over the first half of 2021 and, hence, also the first quarter of Bastei Lübbe's 2020/2021 fiscal year. The German federal government's emergency brake and other decisive measures were adopted in April to combat the higher infection rates. However, the restrictions have been successively eased in all areas of public life since June. The lifting of the restrictions subsequently also led to a further recovery in the economy between April and June. Accordingly, there are no obstacles standing in the way of a recovery in retailing and services between now and the end of 2021. Experts at the Institute of Economic Research expect Germany's gross domestic product to grow by 3.3% in 2021 and by 4.3% in 2022.² Unemployment numbers will fall slightly this year from 2.70 million to 2.65 million, with a further decline to 2.40 million expected in 2022.³

Industry environment in the Bastei Lübbe business segments

In **book retailing**, aggregate revenues from book stores, e-commerce, railway station book stores, department stores, consumer electronics stores and pharmacies were significantly higher from January to June 2021 than in the same period of the previous year, increasing by 4.9%. This is primarily due to the easing of the pandemic-related restrictions and, related to this, the re-opening of book stores. With volume sales – i.e. the number of copies sold – rising by 0.4%, the 4.6% increase in book prices additionally spurred the increase.⁴ Revenues and sales in the previous year had already been impacted by the first spring lockdown, which is why a comparison with the pre-pandemic year of 2019 is revealing. Accordingly, revenues were down 3.7% and volume sales down 9.3% on 2019 in the first half of 2021.⁵

There is currently no updated e-book data available for the 2021 calendar year. However, **e-books** emerged as one of the winners of the COVID-19 pandemic last year. In view of the lockdown and the resulting closures of book stores, volume sales (sales of 3 euros or more) of e-books increased by 10.8% year-on-year in 2020, with revenues rising by 16.2% over 2019 in the same period.⁶

Revenues from physical **audiobooks** sustained a massive 30.3% year-on-year decline in the first six months of 2021.⁷ However, this has more to do with the format than with any lack of interest in audiobooks. In this respect, revenues in the audiobook market (all audio formats) have tended to decline, while revenues from audio streaming have risen by 30%.⁸

¹ https://ec.europa.eu/germany/news/20210707-wirtschaftsprognose-sommer_de

² <https://www.ifo.de/ifo-konjunkturprognose/20210616>

³ <https://www.ifo.de/ifo-konjunkturprognose/20210616>

⁴ [https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14\[uid\]=1813&tx_boev_pi14\[backend_layout\]=pagets__newsletter](https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14[uid]=1813&tx_boev_pi14[backend_layout]=pagets__newsletter)

⁵ [https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14\[uid\]=1813&tx_boev_pi14\[backend_layout\]=pagets__newsletter](https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14[uid]=1813&tx_boev_pi14[backend_layout]=pagets__newsletter)

⁶ <https://www.boersenverein.de/boersenverein/aktuelles/detailseite/das-e-book-2020-corona-fuehrt-voruebergehend-zu-mehr-nachfrage/>

⁷ [https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14\[uid\]=1813&tx_boev_pi14\[backend_layout\]=pagets__newsletter](https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14[uid]=1813&tx_boev_pi14[backend_layout]=pagets__newsletter)

⁸ <https://de.statista.com/statistik/daten/studie/183138/umfrage/umsatzentwicklung-von-hoerbuechern-im-buchhandel-monatszahlen/>

Business performance

Results of operations

The COVID-19 pandemic continued to leave traces on the first quarter of fiscal year 2021/2022. In this difficult market environment, Bastei Lübbe AG performed in line with expectations, generating Group revenues of EUR 19.2 million in the period from April to June of fiscal year 2021/2022, up from EUR 18.5 million in the previous year. This translates into an increase of 3.6% on the previous year. EBIT climbed to EUR 2.0 million in the first quarter of 2021, up from EUR 1.6 million in the same period in the previous year.

At EUR 17.3 million, revenues in the “Book” segment exceeded the previous year (EUR 16.7 million). In this connection, it should be borne in mind that the revenues in the current fiscal year include the third volume of Jeff Kinney’s comic novel “Rowley Jefferson’s Awesome Friendly Spooky Stories”. As the release of the second volume “Rowley Jefferson’s Awesome Friendly Adventure” had been postponed until August 2020, it was not included in the revenues posted in the first quarter of the previous year. Segment EBIT improved from EUR 1.3 million in the previous year to EUR 1.7 million in the period under review.

The “Novel Booklets” segment was likewise largely able to shrug off the effects of the COVID-19 pandemic in the first quarter, generating revenues of EUR 1.9 million, compared with EUR 1.8 million in the previous year. At EUR 0.3 million, segment EBIT was unchanged over the previous year (EUR 0.3 million) in the period under review.

Changes in inventories of finished goods and work in progress came to EUR 0.1 million, i.e. EUR 0.1 million up on the previous year (KEUR -29).

At EUR 8.4 million, the cost of materials fell short of the previous year (EUR 8.9 million) in the period under review. This was mainly due to lower printing and fee expenses.

Personnel expenses climbed from EUR 4.0 million in the previous year to EUR 4.6 million, reflecting the higher number of employees, primarily as a result of the acquisition of Business Hub Berlin UG, as well as higher bonuses for the Executive Board.

Other operating expenses increased from EUR 3.5 million in the previous year to EUR 3.8 million due to higher advertising costs.

Group earnings before interest and taxes (EBIT) came to EUR 2.0 million in the period from April to June, up from EUR 1.6 million in the previous year. The EBIT margin stands at 10.6% after 8.5% in the same period of the previous year. The share of profit of associates came to EUR 0.1 million (previous year: EUR 0.1 million).

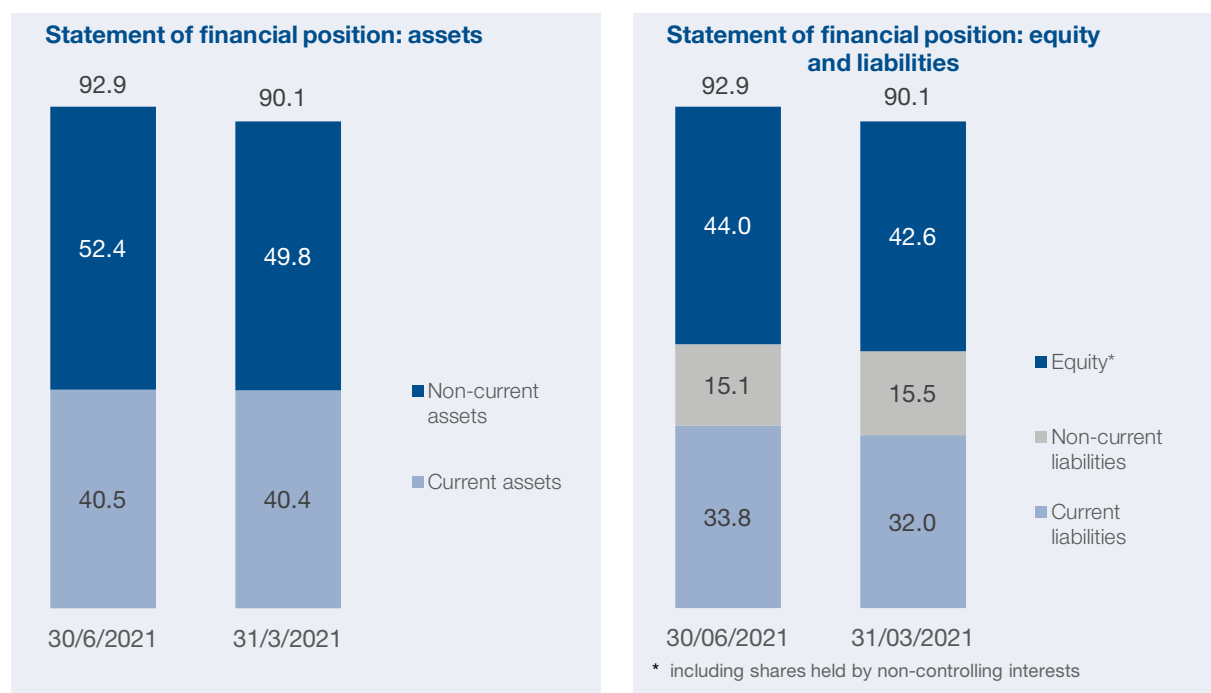
Depreciation of right-of-use assets under leases amounted to EUR 0.3 million (previous year: EUR 0.3 million).

Net other finance expense came to EUR -0.1 million (previous year: EUR -0.2 million). Interest expenses under leasing liabilities amount to KEUR -34 (previous year: EUR -0.1 million). Earnings before taxes (EBT) reached EUR 2.0 million (previous year: EUR 1.4 million).

Net profit for the period from continuing operations stood at EUR 1.3 million (previous year: EUR 1.0 million). In the previous year, net profit of EUR 0.6 million had been generated from discontinued operations. This includes expenses from the deconsolidation of Daedalic amounting to EUR -0.2 million. Consolidated net profit for the period stands at EUR 1.3 million (previous year: EUR 1.6 million). The portion of this attributable to Bastei Lübbe AG’s equity holders amounts to EUR 1.3 million (previous year: EUR 1.2 million). Earnings per share came to EUR 0.10, up from EUR 0.09 in the previous year. This is based on 13,200,100 shares outstanding in the period under review (unchanged over the previous year).

Net assets

Total Group assets rose by EUR 2.8 million from EUR 90.1 million to EUR 92.9 million.



Non-current assets are valued at EUR 52.4 million, up from EUR 49.8 million as of 31 March 2021. Author advances rose by EUR 3.0 million. This includes an advance paid to an internationally bestselling author. Right-of-use assets under leases are valued at EUR 8.0 million (31 March 2021: EUR 8.2 million).

Current assets rose slightly from EUR 40.4 million as of 31 March 2021 to EUR 40.5 million as of 30 June 2021.

At EUR 43.9 million, the share of equity attributable to the equity holders of the Parent Company is higher than on 31 March 2021 (EUR 42.5 million). The increase is due to the net profit for the period of EUR 1.3 million (of which EUR 1.3 million is attributable to the equity holders of Bastei Lübbe AG).

Non-current liabilities are valued at EUR 15.1 million, down from EUR 15.5 million as of 31 March 2021. Non-current lease liabilities are valued at EUR 7.0 million (31 March 2021: EUR 7.2 million).

Current liabilities stand at EUR 33.8 million as of 30 June 2021, up from EUR 32.0 million as of 31 March 2021. This primarily reflects higher liabilities to authors. Current lease liabilities are valued at EUR 1.3 million (31 March 2021: EUR 1.2 million).

Net financial assets stand at EUR 12.1 million as of 30 June 2021, up EUR 1.4 million on 31 March 2021 (EUR 9.7 million).

Material events occurring after the reporting date

Bastei Lübbe AG acquired 60% of the shares in CE Community Editions GmbH under a notarised agreement dated 20 July 2021. Bastei Lübbe AG had held 40% of the shares until this date, accounting for the company using the equity method. The acquisition was financed entirely from the company's own cash flow.

No other material events for the assessment of the Bastei Lübbe AG Group's net assets, financial position and results of operations occurred after the reporting period.

Opportunity and risk report

There has been no fundamental change in Bastei Lübbe AG's risk situation and opportunities compared to the presentation in the 2020/2021 annual report.

Outlook

Compared to the presentation in the 2020/2021 annual report, the Executive Board's forecast for fiscal year 2021/2022 has changed as follows:

Group revenues are still expected to come to between EUR 90 million and EUR 95 million in fiscal year 2021/2022 (previous year: EUR 92.7 million). EBIT is still expected to be in a range of between EUR 11 million and EUR 12 million euros (previous year: EUR 10.9 million).

Following the acquisition of the remaining 60% of the shares in Community Editions GmbH, we now assume that a free cash flow of EUR 5 million to EUR 6 million (previous year 11.8 million euros) can be achieved in the current fiscal year.

The Executive Board of the Bastei Lübbe Group continues to assume that the pandemic-related uncertainties and risks will not adversely affect the forecast.

Cologne, 12 August 2021
Bastei Lübbe AG



Joachim Herbst
Chief Financial Officer
Speaker of the Executive Board



Sandra Dittert
Executive Board
Sales and Marketing



Simon Decot
Executive Board
Programme

Consolidated statement of financial position as of 30 June 2021

	30/06/2021	31/03/2021
	KEUR	KEUR
Non-current assets		
Intangible assets	8,307	8,375
Author advances	22,798	19,759
Property, plant and equipment (including right-of-use assets)	9,219	9,585
Investments in associates	1,144	1,090
Financial assets	9,270	9,318
Deferred tax assets	1,628	1,634
	52,365	49,762
Current assets		
Inventories	9,615	9,423
Trade receivables	12,315	13,963
Financial assets	72	204
Income tax refund claims	208	208
Other receivables and assets	1,678	2,110
Cash and cash equivalents	16,596	14,472
	40,485	40,380
Total assets	92,850	90,142
Equity		
Equity attributable to the parent company's equity holders		
Subscribed capital	13,200	13,200
Share premium	9,045	9,045
Unappropriated surplus/accumulated deficit	12,878	11,550
Other comprehensive income	8,729	8,723
	43,852	42,519
Shares held by non-controlling shareholders	103	109
Total equity	43,955	42,627
Non-current liabilities		
Provisions	87	87
Deferred tax liabilities	1,163	1,042
Financial liabilities	13,270	13,799
Trade payables	539	592
	15,060	15,521
Current liabilities		
Financial liabilities	5,214	5,147
Trade payables	17,598	15,774
Income tax liabilities	2,322	1,874
Provisions	6,700	7,765
Other liabilities	2,000	1,433
	33,834	31,994
Total liabilities	48,895	47,514
Total equity and liabilities	92,850	90,142

Consolidated income statement for the period from 1 April 2021 to 30 June 2021

	01/04 – 30/06/2021	01/04/ – 30/06/20
	KEUR	KEUR
Continuing operations		
Revenues	19,163	18,493
Changes in inventories of finished goods and work in progress	117	-29
Other operating income	137	55
Cost of materials	-8,411	-8,935
Personnel expenses	-4,585	-4,009
Other operating expenses	-3,827	-3,501
Share of profit of associates	–	9
Earnings before interest, income taxes, depreciation and amortisation (EBITDA)	2,594	2,082
Amortisation and depreciation	-567	-506
Earnings before interest and income taxes (EBIT)	2,027	1,576
Share of profit of associates	53	54
Net finance income/expenses	-80	-203
Earnings before income taxes (EBT) from continuing operations	2,001	1,427
Income taxes	-679	-441
Net profit for the period from continuing operations	1,322	986
Net profit for the period from discontinued operations	–	624
Consolidated net profit for the period	1,322	1,610
of which attributable to:		
Equity holders of Bastei Lübbe AG		
Net profit from continuing operations	1,328	972
Net profit from discontinued operations	–	242
	1,328	1,214
Shares held by non-controlling shareholders		
Net profit from continuing operations	-6	14
Net profit from discontinued operations	–	382
	-6	396
Earnings per share (basic = diluted) (based on the net profit for the period attributable to the equity holders of Bastei Lübbe AG)	0.10	0.09

Consolidated statement of comprehensive income for the period from 1 April 2021 to 30 June 2021

	01/04 – 30/06/2021	01/04/ – 30/06/20
	KEUR	KEUR
Net profit for the period	1,322	1,610
Amounts that cannot be recycled to profit and loss in the future	–	–
Changes in the fair value of available-for-sale financial assets	–	–
Amounts that can be recycled to profit and loss in the future	6	-103
Foreign currency translation differences	6	-103
Other comprehensive income	6	-103
Consolidated comprehensive income	1,328	1,507
of which attributable to:		
Equity holders of Bastel Lübbe AG	1,334	1,099
Shares held by non-controlling shareholders	-6	408

Segment report for the period from 1 April to 30 June 2021

	Book		Novel booklets		Games (discontinued)		Total	
	04-06/ 2021	04-06/ 2020	04-06/ 2021	04-06/ 2020	04-06/ 2021	04-06/ 2020	04-06/ 2021	04-06/ 2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Segment revenues	17,303	16,727	1,863	1,771	–	2,358	19,166	20,857
Internal revenues	2	6	–	–	–	–	2	6
External revenues	17,300	16,722	1,863	1,771	–	2,358	19,163	20,851
EBITDA	2,231	1,748	363	334	–	878	2,594	2,960
Depreciation and amortisation	-517	-456	-50	-50	–	0	-567	-506
EBIT	1,714	1,292	313	284	–	878	2,027	2,454

	Group total		Continuing operations		Discontinued operations	
	04-06/ 2021	04-06/ 2020	04-06/ 2021	04-06/ 2020	04-06/ 2021	04-06/ 2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Segment revenues	19,166	20,857	19,166	18,499	–	2,358
Internal revenues	2	6	2	6	–	–
External revenues	19,163	20,851	19,163	18,493	–	2,358
EBITDA	2,594	2,960	2,594	2,082	–	878
Depreciation and amortisation	-567	-506	-567	-506	–	0
EBIT	2,027	2,454	2,027	1,576	–	878
Share of profit of associates	53	54	53	54	–	–
Net finance income/expenses	-80	-321	-80	-203	–	-117
Net profit/loss before tax	2,001	2,188	2,001	1,427	–	761
Income taxes	-679	-578	-679	-441	–	-137
Net profit for the period	1,322	1,610	1,322	986	–	624

Financial calendar 2021/2022

Date	Event
15 September 2021	Annual general meeting
11 November 2021	Half-year financial report as of 30 September 2021 (HY1)
10 February 2022	Quarterly statement (Q3)

Legal notice

We have very largely avoided references to individual genders in the interests of readability. All professional and personal designations apply equally to all genders.

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Bastei Lübbe AG's quarterly statement for Q1/2021 is available as a PDF file on the Internet at www.luebbe.com.

Further information can also be found on the Internet at www.luebbe.de.

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