

BAS 
 TEI
LÜBBE 

QUARTERLY

STATEMENT

1 APRIL – 31 DECEMBER 2022



At a glance

	1 April - 31 December 2022	1 April - 31 December 2021*	Change
Financial indicators (IFRS) in € millions			
Revenues	73.2	74.4	-1.6%
EBIT	4.8	12.1	-60.5%
EBIT margin (%)	6.6%	16.3%	-9.8 Pp
Net profit for the period	2.6	8.0	-67.6%
Earnings per share (in €)	0.19	0.60	-68.3%
	1 October - 31 December 2022	1 October - 31 December 2021*	Change
Revenues	29.1	33.2	-12.3%
EBIT	3.9	7.6	-49.1%
EBIT margin (%)	13.3%	23.0%	-9.6 Pp
Net profit for the period	2.5	4.7	-46.8%
Earnings per share (in €)	0.19	0.35	-45.7%
	31 December 2022	31 March 2022	Change
Total assets	105.2	104.3	0.9%
Equity**	53.6	56.3	-4.9%
Equity Ratio (%)	50.9%	54.0%	-3.1 Pp
Net financial assets	14.8	14.2	3.7%

*) Previous year adjusted

***) incl. non-controlling interests

Economic report

Underlying conditions

In the course of 2022, the German economy came under pressure from the uncertain situation with regard to energy supplies and shortfalls in input products and employment. In addition, consumer price inflation, which was significantly higher in Europe from August to December 2022, ranged between 10.1% and 11.5% year-on-year, peaking in Germany at 10.4% in October. The German government's efforts to cushion the effects of the economic downturn by adopting broad-based relief programmes are expected to reduce the significantly higher inflation rate from an average of 7.8% in 2022 to 6.4% in 2023.¹ Although gross domestic product (GDP) rose by 1.9% over the previous year despite all the adversities in 2022 according to an initial estimate published by the Federal Statistical Office, the German economy only grew in the first three quarters of the year, while the fourth quarter saw a slight decline of 0.2% in economic output.² While gross domestic product is likely to shrink in the winter half of 2022/2023 and the German economy is thus entering a recession, initial forecasts by the ifo Institute indicate that it will be milder than previously assumed. Accordingly, the researchers have raised their forecasts for economic growth for 2022 to 1.8%, up from their previous projection of 1.6%.³ Economic output should contract by only 0.1% in 2023, compared with the decline of 0.3% that had been forecast in autumn 2022.⁴

The high inflation rates of recent months have taken their toll on consumer confidence in Germany.⁵ Although the November forecasts of the HDE consumption barometer indicate that consumers are willing to utilise the savings that they had involuntarily amassed during the pandemic in order to maintain their usual spending levels,⁶ these effects are likely to be only of a short-term nature. In addition, a return to previous price levels is fairly unlikely.

Industry environment in the Bastei Lübbe business segments

After showing a year-on-year decline in sales from May to November 2022, **book market** registered a slight increase of 0.1% again for the first time in the final month of the year.⁷ Between January and December 2022, revenues in the central distribution channels – retail book trade, e-commerce including Amazon, railway station book stores, department stores, consumer electronics stores and chemists – were down 2.1% on the previous strong year, with the number of books sold contracting by 3.0% during this period. Although stationary book retailers, which had suffered from the months-long store closures in 2021, failed to return to their pre-pandemic level, they were able to regain lost revenues. Accordingly, they closed 2022 with a 4.8% increase in revenues over 2021. Like the market as a whole, most product groups also sustained lower revenues over the previous year. Thus, guidebooks, for example, closed the year down 6.8% and non-fiction down 8.7%. Only two product groups were able to post higher revenues: fiction increased its revenues by 4.3% while travel books, which had suffered greatly in the wake of the pandemic, gained 13.4%. Although children's and youth books fell short of the previous year by 3.3%, revenues from books for young people were

¹ <https://www.ifo.de/publikationen/2022/zeitschrift-einzelheft/ifo-schnelldienst-sonderausgabe-dezember-2022>

² https://www.destatis.de/DE/Presse/Pressemitteilungen/2023/01/PD23_037_811.html

³ <https://www.ifo.de/pressemitteilung/2022-12-14/rezession-faellt-milder-aus-als-bislang-erwartet>

⁴ <https://www.ifo.de/pressemitteilung/2022-12-14/rezession-faellt-milder-aus-als-bislang-erwartet>

⁵ <https://www.ifo.de/fakten/2022-09-12/ifo-konjunkturprognose-herbst-2022-inflation-wuergt-privaten-konsum-ab-deutsche-3>

⁶ <https://einzelhandel.de/konsumbarometer>

⁷ <https://www.boersenverein.de/markt-daten/marktforschung/branchen-monitor-buch/>

still significantly above their pre-pandemic level thanks to the strong growth achieved in earlier years.⁸

As of the reporting date, more recent data is currently not yet available for the full calendar year 2022. Börsenverein des Deutschen Buchhandels (German Publishers & Booksellers Association) reported slower growth in the **e-book** market in the first half of 2022. After rising significantly by 17.8 percent in the first six months of 2020 and by 9.6 percent in 2021, e-book revenues in the general-interest market increased by only 3.0% compared to the same period in the previous year in the first half of 2022.⁹ Despite this, e-book unit sales were up 2.5% over 2021, rising from 20.3 million to 20.9 million units.¹⁰ However, the proportion of e-books in the general-interest market in the first half of 2022 widened only slightly by 0.2% over the previous year and now stands at 8.1%.¹¹

Revenues from physical **audiobooks** sustained a significant year-on-year decline in the period from January to December 2022, according to Börsenverein des Deutschen Buchhandel, falling short of the previous year by 24.8% in cumulative terms.¹²

⁸ <https://www.boersenverein.de/presse/pressemitteilungen/detailseite/buchmarkt-bilanz-2022-kaufzurueckhaltung-zeigt-sich-auch-bei-buechern/>

⁹ <https://www.boersenverein.de/presse/pressemitteilungen/detailseite/e-book-markt-2022-leichter-zuwachs-im-ersten-halbjahr/>

¹⁰ <https://www.boersenverein.de/markt-daten/marktforschung/e-books/>

¹¹ <https://www.boersenverein.de/presse/pressemitteilungen/detailseite/e-book-markt-2022-leichter-zuwachs-im-ersten-halbjahr/>

¹²

[https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14\[uid\]=2274&tx_boev_pi14\[backend_layout\]=pagets__newsletter](https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14[uid]=2274&tx_boev_pi14[backend_layout]=pagets__newsletter)

Business performance

Results of operations

The Executive Board of Bastei Lübbe AG remains satisfied with the Group's operating performance and confirms the revenue and earnings guidance for the 2022/2023 fiscal year after pleasing Christmas business. In view of the existing risks posed by muted consumer confidence primarily as a result of the worryingly high inflation rates, Bastei Lübbe AG's revenues, which came close to the previous year's figure, testify to the Group's strategic course. In the period from April to December of the 2022/2023 fiscal year, Bastei Lübbe AG posted Group revenues of €73.2 million, down from €74.4 million in the same period of the previous year. This translates into a decline of 1.6 % compared with the previous year. It should be borne in mind when comparing this figure with the one for the previous period that the celebrity authors Ken Follett as well Dirk Rossmann and Ralf Hoppe published two top selling blockbusters ahead of Christmas business in the previous year.

Group EBIT fell to €4.8 million, down from €12.1 million in the same period in the previous year. The main reason for this was the impairments of €2.0 million recognised on the goodwill and other intangible assets of Business Hub Berlin UG ("smarticular") as well as the reduction of around €0.8 million in earnings contributed by the subsidiary compared with the previous year. Adjusted for the impairments of €2.0 million, EBIT would have reached €6.8 million after nine months, translating into an adjusted EBIT margin of 9.3%. In addition, the higher-than-expected paper and printing prices in the Group's core business and the expected increase in personnel costs made themselves felt. As well as this, associated company Räder GmbH had distributed a dividend of €1.2 million to Bastei Lübbe AG in the previous year.

Group revenues include the fully consolidated subsidiary CE Community Editions GmbH for the first time in the period under review (revenues in the previous year: €4.7 million; revenues in the period under review: €5.1 million).

Changes in inventories of finished goods and work in progress came to €-40 thousand, i.e. €0.4 million up on the previous year (previous year: €-0.4 million).

At €0.2 million, other operating income was lower than in the previous year (€0.8 million), partially as a result of the deconsolidation gains of €0.2 million on the sale of the shares in J.P. Bachem Editionen GmbH in the previous year.

Despite the lower revenues, the cost of materials came to €35.6 million, thus slightly exceeding the previous year (previous year: €35.2 million). Significantly higher paper and printing costs were more or less offset by a more favourable product mix in terms of royalties compared to the previous year.

Personnel expenses climbed from €13.5 million in the previous year to €15.0 million. In addition to the regular salary adjustments, this is also due to the higher number of employees as a result of increased recruiting at Bastei Lübbe AG (up €1.0 million) and the full consolidation of CE Community Editions GmbH (up €0.4 million).

Other operating expenses increased from €13.2 million in the previous year to € 13.9 million. Higher sales, IT and travel costs were offset by lower advertising and consulting costs.

Amortisation and depreciation include the impairments of the goodwill (€1.7 million) and non-current intangible assets (€0.3 million) attributable to smarticular. Depreciation of right-of-use assets under leases amounted to €1.0 million (previous year: €1.0 million).

Group earnings before interest and taxes (EBIT) came to €4.8 million in the period from April to December (previous year: €12.1 million). The EBIT margin stands at 6.6%, compared with 16.3% in the same period of the previous year. Adjusted for the impairments recognised, EBIT equals €2.0 million with an EBIT margin of 9.3%.

Net finance expense came to €0.2 million, after net finance expense of €0.3 million in the previous year. This includes income from the reduction in the contingent purchase price liabilities for the acquisition of smarticular (€0.2 million). Interest expenses under lease liabilities amounted to €0.1 million (previous year: €0.1 million).

Earnings before taxes (EBT) amounted to €4.6 million (previous year: €12.2 million).

The tax expense of €2.0 million, which results in a substantially higher tax rate, reflects the fact that the impairments of intangible assets in connection with the acquisition of smarticular were not deductible under tax law and that it was not possible to recognise any deferred taxes.

Net profit for the period stands at €2.6 million (previous year: €8.0 million). The portion of this attributable to Bastei Lübbe AG's equity holders amounts to €2.5 million (previous year: €7.9 million). Accordingly, earnings per share equal €0.19, down from €0.60 in the previous year. This is based on 13,200,100 shares outstanding in the period under review (unchanged over the previous year).

Business performance by segment

Revenues in the "Book" segment fell from €69.1 million to €67.9 million in the period under review, one major reason for this being that two blockbuster titles – "Never" by Ken Follett and "Der Zorn des Oktopus" by Dirk Rossmann and Ralf Hoppe – had been released ahead of Christmas business in the previous year. Lower revenues from backlist titles were offset by the extraordinary success of LYX (up 57%) and the digital audio segment (up 16%) compared with the previous year. Segment EBIT dropped to €4.6 million in the period under review, down from €11.3 million in the same period in the previous year. This is primarily due to the factors mentioned above.

The "Novel Booklets" segment posted revenues of €5.3 million in the first nine months of the 2022/2023 fiscal year, thus matching the previous year (€5.3 million). The lower volume sales in wholesale press business were offset by price increases and the expansion of subscription and digital business. Segment EBIT reached €0.2 million in the period under review, compared with €0.8 million in the previous year. This is particularly due to the "Novel Booklets" segment, which was affected by the significant increase in paper, printing and delivery costs (€0.5 million).

Net assets

Total Group assets rose by €0.9 million from €104.3 million to €105.2 million.

Non-current assets are valued at €53.6 million, down from €56.6 million as of 31 March 2022. The decline in intangible assets from €11.2 million as of 31 March 2022 to €8.9 million is due to the impairments of €2.0 million recognised on goodwill and other intangible assets in connection with the acquisition of smarticular. Author advances rose by €0.2 million to €20.4 million. Right-of-use assets under leases amount to €7.3 million (31 March 2022: €7.5 million).

Current assets increased from €47.7 million as of 31 March 2022 to €51.6 million as of 31 December. This is mainly due to the higher trade receivables from Christmas business.

At €53.4 million, the share of equity attributable to the equity holders of the Parent Company is down €2.7 million on 31 March 2022 (€56.1 million). The net profit for the period of €2.6 million (of which €2.5 million is attributable to the equity holders of Bastei Lübbe AG) was offset by the dividend payment of €5.3 million for the 2021/2022 fiscal year.

Non-current liabilities are valued at €9.6 million, down from €11.2 million as of 31 March 2022. This decline is primarily due to the scheduled repayment of an acquisition loan of €0.8 million. Non-current lease liabilities stand at €5.9 million (31 March 2022: €6.4 million).

Current liabilities are valued at €42.1 million as of 31 December 2022, compared with €36.8 million as of 31 March 2022. This reflects higher liabilities towards authors. Current lease liabilities amount to €1.2 million (31 March 2022: €1.4 million).

Net financial assets stand at € million as of 31 December 2022. Despite the aforementioned dividend payment of €5.3 million in September 2022, this marks an increase of €0.6 million over 31 March 2022 (€14.2 million). The operating cash flow underpinning this performance testifies to the profitability of the Bastei Lübbe Group.

Material events occurring after the reporting date

No events of particular significance 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 2021/2022 annual report.

Outlook

There have been no changes in the Executive Board's forecast for the 2022/2023 fiscal year since the revised forecast issued on 4 November 2022.

Group revenues are still expected to come to between €90 million and €95 million in the 2022/2023 fiscal year (previous year: €94.5 million), accompanied by EBIT in a range of between €6.0 million and €7.0 million (previous year: €14.7 million).

Cologne, 9 February 2023

Bastei Lübbe AG



Soheil Dastyari
Chief Executive
Officer



Joachim Herbst
Chief Financial
Officer



Sandra Dittert
Chief Marketing
and Sales Officer



Simon Decot
Chief Program
Officer

Consolidated statement of financial position as of 31 December 2022

€k	31 December 2022	31 March 2022
Intangible assets	8,949	11,177
Author advances	20,388	20,144
Property, plant and equipment (including right-of-use assets)	7,660	8,435
Financial assets	15,293	15,496
Deferred tax assets	1,310	1,370
Non-current assets	53,600	56,622
Inventories	11,760	11,806
Trade receivables	19,884	14,143
Financial assets	45	210
Income tax refund claims	339	522
Other receivables and assets	1,830	3,014
Cash and cash equivalents	17,753	17,974
Current assets	51,612	47,668
Total assets	105,212	104,291
Subscribed capital	13,200	13,200
Share premium	9,045	9,045
Unappropriated surplus/accumulated deficit	15,941	18,678
Other comprehensive income	15,183	15,163
Equity attributable to Bastei Lübbe AG shareholders	53,369	56,086
Shares held by non-controlling shareholders	189	206
Equity	53,558	56,292
Provisions	201	201
Deferred tax liabilities	1,136	1,358
Financial liabilities	7,911	9,315
Trade payables	351	351
Non-current liabilities	9,599	11,225
Financial liabilities	4,949	5,895
Trade payables	20,849	16,291
Income tax liabilities	7,111	5,156
Provisions	7,631	7,733
Other liabilities	1,514	1,698
Current liabilities	42,054	36,773
Total liabilities	51,654	47,998
Total equity and liabilities	105,212	104,291

Consolidated income statement for the period from 1 April 2022 to 31 December 2022

€k	1 April - 31 December 2022	1 April - 31 December 2021
Revenues	73,221	74,408
Changes in inventories of finished goods and work in progress	-40	-415
Other operating income	193	765
Cost of materials	-35,558	-35,185
Personnel expenses	-15,017	-13,547
Other operating expenses	-13,914	-13,180
Share of profit of associates	-	1,200
Earnings before interest, income taxes, depreciation and amortisation (EBITDA)	8,884	14,046
Amortisation and depreciation	-4,081	-1,886
Impairment/remeasurement gains on financial assets	-	-11
Earnings before interest and income taxes (EBIT)	4,803	12,149
Share of profit of associates	-	377
Net finance income/expenses	-178	-295
Earnings before taxes (EBT)	4,625	12,230
Income taxes	-2,048	-4,270
Consolidated net profit for the period	2,577	7,961
Of which attributable to:		
Equity holders of Bastei Lübbe AG	2,543	7,912
Shares held by non-controlling shareholders	34	48
Earnings per share in euros (basic = diluted) (based on the net profit for the period attributable to the shareholders of Bastei Lübbe AG)	0.19	0.60

*) Previous year adjusted

Consolidated income statement for the period from 1 October 2022 to 31 December 2022

€k	1 October - 31 December 2022	1 October - 31 December 2021
Revenues	29,081	33,171
Changes in inventories of finished goods and work in progress	24	-37
Other operating income	91	206
Cost of materials	-13,980	-16,494
Personnel expenses	-4,907	-4,684
Other operating expenses	-5,726	-5,072
Share of profit of associates	-	1,200
Earnings before interest, income taxes, depreciation and amortisation (EBITDA)	4,584	8,290
Amortisation and depreciation	-708	-671
Impairment/remeasurement gains on financial assets	-	-4
Earnings before interest and income taxes (EBIT)	3,877	7,615
Share of profit of associates	-	-
Net finance income/expenses	-151	-123
Earnings before taxes (EBT)	3,726	7,492
Income taxes	-1,243	-2,825
Consolidated net profit for the period	2,483	4,667
Of which attributable to:		
Equity holders of Bastei Lübbe AG	2,474	4,656
Shares held by non-controlling shareholders	9	11
Earnings per share in euros (basic = diluted) (based on the net profit for the period attributable to the shareholders of Bastei Lübbe AG)	0.19	0.35

*) Previous year adjusted

Consolidated statement of comprehensive income for the period from 1 April 2022 to 31 December 2022

€k	1 April - 31 December 2022	1 April - 31 December 2021
Consolidated net profit for the period	2,577	7,961
Amounts that cannot be recycled to profit and loss in the future	-	-
Changes in the fair value of equity instruments	-	-
Amounts that can be recycled to profit and loss in the future	22	55
Foreign currency transition differences	22	55
Other comprehensive income	22	55
Consolidated comprehensive income	2,599	8,015
Of which attributable to:		
Equity holders of Bastei Lübbe AG	2,563	7,961
Shares held by non-controlling shareholders	37	54

*) Previous year adjusted

Consolidated statement of comprehensive income for the period from 1 October 2022 to 31 December 2022

€k	1 October - 31 December 2022	1 October - 31 December 2021
Consolidated net profit for the period	2,483	4,667
Amounts that cannot be recycled to profit and loss in the future	-	-
Changes in the fair value of equity instruments	-	-
Amounts that can be recycled to profit and loss in the future	14	-0
Foreign currency transition differences	14	-0
Other comprehensive income	14	-0
Consolidated comprehensive income	2,496	4,667
Of which attributable to:		
Equity holders of Bastei Lübbe AG	2,487	4,655
Shares held by non-controlling shareholders	10	11

*) Previous year adjusted

Segment report for the period from 1 April 2022 to 31 December 2022

€k	Book*		Novel booklets		Group	
	04- 12/2022	04- 12/2021	04- 12/2022	04- 12/2021	04- 12/2022	04- 12/2021
Segment revenues	68,159	69,091	5,285	5,342	73,444	74,433
Internal revenues	-223	-26	-	-	-223	-26
External revenues	67,936	69,065	5,285	5,342	73,221	74,407
EBITDA	8,557	13,123	327	923	8,884	14,046
Amortisation and depreciation	-3,952	-1,766	-129	-120	-4,081	-1,886
Impairment/write-ups of financial assets	-	-11	-	-	-	-11
EBIT	4,605	11,346	198	803	4,803	12,149

*) Previous year adjusted

Segment report for the period from 1 October 2022 to 31 December 2022

€k	Book*		Novel booklets		Group	
	10- 12/2022	10- 12/2021	10- 12/2022	10- 12/2021	10- 12/2022	10- 12/2021
Segment revenues	27,339	31,454	1,821	1,729	29,160	33,183
Internal revenues	-79	-12	-	-	-79	-12
External revenues	27,260	31,442	1,821	1,729	29,081	33,171
EBITDA	4,377	8,024	208	266	4,585	8,290
Amortisation and depreciation	-669	-640	-38	-31	-707	-671
Impairment/write-ups of financial assets	-	-4	-	-	-	-4
EBIT	3,708	7,380	170	235	3,878	7,615

*) Previous year adjusted

Financial calendar 2023/2024

Date	Event
11 July 2023	Annual press conference
10 August 2023	Quarterly statement (Q1)
13 September 2023	Annual general meeting
9 November 2023	Financial report for the first half of the year (HY1)
8 February 2024	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.

Bastei Lübbe AG's quarterly statement as of 31 December 2022 is available as a PDF file on the Internet at www.luebbe.com. Further information on the Company can also be found on the Internet at www.luebbe.de.

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Bastei Lübbe AG
Schanzenstraße 6-20
51063 Cologne, Germany
Tel: +49 (0)221 82 00 22 88
Fax: +49 (0)221 82 00 12 12
E-Mail: investorrelations@luebbe.de

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