

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 is dramatic, highlighting the texture and curves of the petals. A white rectangular border is positioned in the upper left quadrant, framing the main title text.

**BASTEI LÜBBE AG
CONSOLIDATED
HALF-YEARLY
FINANCIAL REPORT
01 APRIL –
30 SEPTEMBER 2021**

Lisa Unger
DIE FOLGSAME TOCHTER

At a glance

	01/04/2021 – 30/09/2021	1/04/2020 – 30/07/2020	Change
Financial indicators (IFRS) in EUR millions			
Revenues	41.3	41.1	0.5%
EBIT	4.6	3.4	35.9%
EBIT margin (%)	11.0%	8.2%	2.9 pp
Net profit for the period from continuing operations	3.9	1.9	109.0%
Net profit for the period from discontinued operations	–	0.6	–
Consolidated earnings	3.9	2.5	57.0%
Earnings per share** (in EUR)	0.29	0.16	81.5%
	01/07/2021 – 30/09/2021	01/07/2020 – 30/09/ 2020	Change
Revenues	22.2	22.6	-2.0%
EBIT	2.5	1.8	42.2%
EBIT margin (%)	11.4%	7.9%	3.5 pp
Net profit for the period from continuing operations	2.6	0.9	191.0%
Net profit for the period from discontinued operations	–	–	–
Consolidated earnings	2.6	0.9	191.0%
Earnings per share** (in EUR)	0.19	0.07	177.7%
	30/09/2021	31/03/2021	Change
Total assets	93.3	90.1	3.5%
Equity*	42.8	42.6	0.5%
Equity ratio (%)	45.9%	47.3%	-1.4 pp
Net financial assets	4.8	9.7	-50.1%

* including non-controlling interests

* See Note 17 to the consolidated financial statements in the 2020/2021 annual report for details of the calculation method

Economic report

Underlying conditions

The European economy is recovering more swiftly than expected. In its summer 2021 forecast, the EU Commission states that it expects the European economy to grow by 4.8 % this year and by 4.5 % in 2022. Consequently, the growth rate has been revised upwards by 0.6 percentage points for 2021 and by 0.1 percentage points for 2022.¹ The Joint Autumn 2021 Economic Forecast issued by the leading German economic research institutes also projects growth of 2.4 % in 2021 and 4.8 % for 2022 for Germany. The Covid-19 pandemic is continuing to leave traces on the economic situation in Germany. In addition, supply chain constraints are having an adverse effect on manufacturing in particular and increasingly also on the economy as a whole. Nevertheless, the coming quarters will see an economic rebound. Consumer spending contributed 3.9 % to growth.²

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 in the period from January to September 2021 than in the same period of the previous year, which had been affected by the coronavirus pandemic, increasing by 3.9 %. Volume sales – i.e. the number of copies sold – rose slightly by 0.9 %. However, as the previous year had been dominated by the coronavirus, a comparison with the pre-pandemic year of 2019 is more instructive, showing that revenues from January to September 2021 fell only 0.6 % short of the figure for 2019. By contrast, volume sales in the period from January to September 2021 were down 5.3 % on the comparable period in 2019.³

E book revenues continued to rise in the first half of 2021, increasing in the retail market by 9.6 % over the same period in the previous year. In the first quarter of 2021 alone, e-book revenues climbed by 20.9 %. In volume terms as well, e-book sales increased by 8.3 % over the same period in the previous year, with the average price per e-book rising by 1.2 %. Growth was confined almost solely to the first quarter, which was affected by the lockdown this year for virtually its entire duration, whereas this was the case to only a minor extent in the same period of 2020.⁴ In the second quarter of 2021, after the shutdown had been lifted in the remaining German states, growth remained flat (revenues up 0.2 %, volume sales up 2.1 %). The proportion of e-books in the overall market in revenue terms widened from 7.5 % to 7.9 % as a result. At 2.7 million, the number of e-book buyers declined slightly over the previous year. At the same time, however, the number of copies sold per capita rose from 6.9 to 7.6 and per-capita expenditure to EUR 49.18, marking an increase of 11 %⁵. Consequently, the growth is due to buying intensity.⁶

Revenues from physical **audiobooks** slumped by 11.6 % in the months from January to September 2021.⁷ No data for 2021 is currently available for digital formats such as streaming. However, it can be assumed that audio streaming revenues in the audiobook market are continuing to rise, thus making up for the aforementioned declines in revenues from physical e-books.

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

² <https://www.ifo.de/node/65592>

³ [https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14\[uid\]=1865&tx_boev_pi14\[backend_layout\]=pagets_newsletter](https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14[uid]=1865&tx_boev_pi14[backend_layout]=pagets_newsletter)

⁴ <https://www.boersenverein.de/markt-daten/marktforschung/e-books/>

⁵ <https://www.boersenverein.de/markt-daten/marktforschung/e-books/>

⁶ <https://www.boersenverein.de/boersenverein/aktuelles/detailseite/erstes-halb-jahr-2021-corona-shutdown-fuehrt-zu-hoeheren-umsaetzen-beim-e-book/>

⁷ [https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14\[uid\]=1865&tx_boev_pi14\[backend_layout\]=pagets_newsletter](https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14[uid]=1865&tx_boev_pi14[backend_layout]=pagets_newsletter)

Business performance

Results of operations

The Executive Board is generally very satisfied with the Group's business performance in the first of the fiscal year. Bastei Lübbe AG generated Group revenues of EUR 41.3 million in the period from April to September of fiscal year 2021/2022, up from EUR 41.1 million in the previous year. This translates into an increase of 0.5 % on the previous year. Group EBIT climbed to EUR 4.6 million in the first half of fiscal year 2021/2022, up from EUR 3.4 million in the same period in the previous year. Group revenues include for the first time the two fully consolidated subsidiaries Business Hub Berlin UG and CE Community Editions GmbH on a pro rata basis for the months of August and September. In the previous year, EBIT had included the proceeds of EUR 1.1 million from the settlement with the former members of the governance bodies.

Bastei Lübbe AG acquired a further 60 % of the shares in CE Community Editions GmbH on 27 July 2021 and is now that company's sole shareholder. CE Community Editions GmbH was recognised using the equity method of accounting up until 31 July 2021 and was fully consolidated from 1 August 2021. Bastei Lübbe AG sold 75 % of the shares in J.P. Bachem Editionen GmbH back to the minority shareholder with economic effect from 30 September 2021. Deconsolidation of the company did not have any material effects on earnings.

Revenues in the "Book" segment increased slightly from EUR 37.5 million to EUR 37.7 million in the period under review, underpinned by the aforementioned first-time consolidation of the Group companies Business Hub Berlin UG from 1 January 2021 and CE Community Editions GmbH from 1 August 2021. In the previous year, the bestseller "The Evening and the Morning" by Ken Follett had been published in September, generating revenues of EUR 2.3 million in September 2020. The comparable top title in the 2021 autumn programme, "Never" by Ken Follett, will be published in November 2021 and will therefore not have any impact on revenues until the third quarter of fiscal year 2021/2022. Segment EBIT improved from EUR 2.6 million in the previous year to EUR 4.0 million in the period under review. The increase in EBIT was primarily underpinned by an improvement in revenue-tied costs.

The "Novel Booklets" segment posted revenues of EUR 3.6 million in the first half of fiscal year 2021/2022 and was thus unchanged over the previous year (EUR 3.6 million). Segment EBIT stood at EUR 0.6 million in the period under review, down from EUR 0.7 million in the previous year.

Changes in inventories of finished goods and work in progress came to EUR -0.1 million, i.e. EUR 0.2 million up on the previous year (EUR -0.3 million).

At EUR 0.4 million, other operating income fell short of the previous year (previous year: EUR 1.2 million) mainly due to the absence of the aforementioned proceeds of EUR 1.1 million arising in the previous year from the settlement with the former members of the governance bodies.

At EUR 18.8 million, the cost of materials fell substantially short of the previous year (EUR 22.1 million) in the period under review. This is due to the significantly higher systematic amortisation in the previous year of the advances paid to top-selling authors in the "Book" segment.

Personnel expenses climbed from EUR 8.2 million in the previous year to EUR 8.9 million. In addition to regular salary adjustments, this reflects the higher number of employees as a result of the consolidation of Business Hub Berlin UG and CE Community Editions GmbH.

Other operating expenses increased from EUR 7.4 million in the previous year to EUR 8.2 million. This was primarily due to higher advertising costs. Among other things, the costs of the 2021 Frankfurt Book Fair are partially included in the current fiscal year. The Book Fair had been cancelled in 2020 due to the coronavirus pandemic. Depreciation of right-of-use assets under leases amounted to EUR 0.7 million (previous year: EUR 0.6 million).

Group earnings before interest and taxes (EBIT) came to EUR 4.6 million in the period from April to September (previous year: EUR 3.4 million). The EBIT margin stands at 11.0 %, up from 8.2 % in the same period of the previous year. The share of profit of associates came to EUR 1.1 million (previous year: EUR 0.3 million). This includes the effects of the remeasurement of the shares already held in CE Community Editions GmbH in connection with the transition from the equity method of accounting to full consolidation.

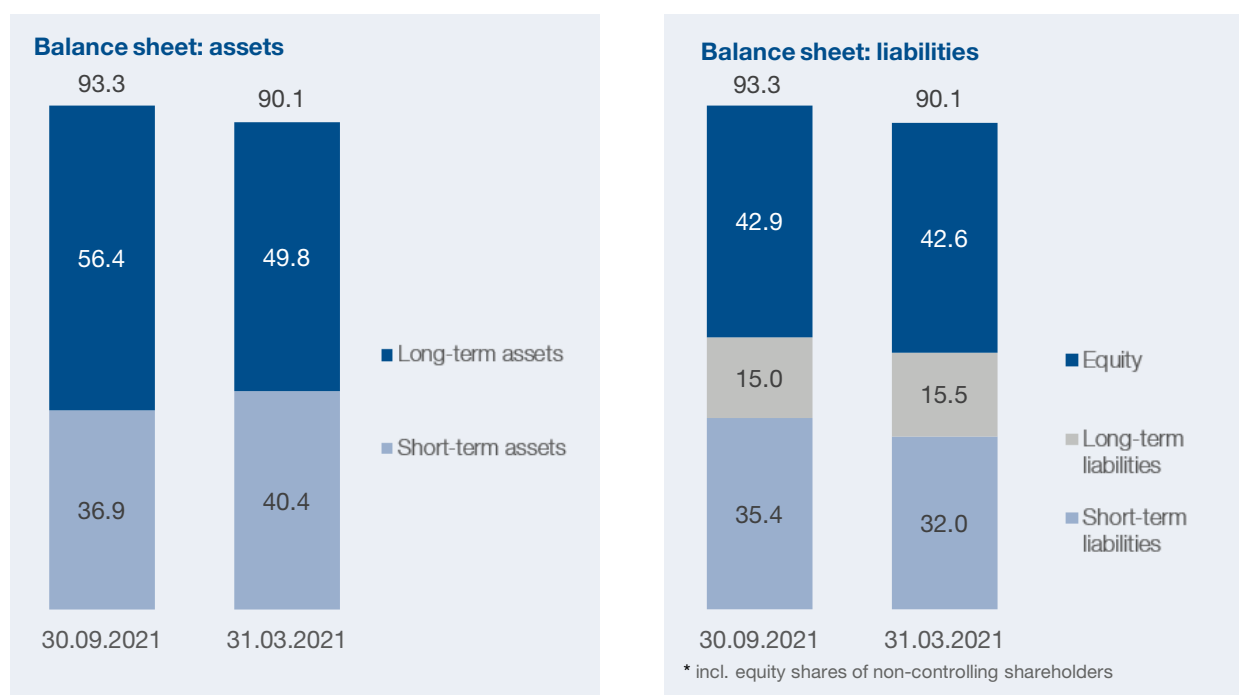
Net other finance expense reached EUR -0.2 million in the period under review, compared with EUR 0.4 million in the previous year. Interest expenses under lease liabilities amounted to EUR 0.1 million (previous year: EUR 0.1 million).

Earnings before taxes (EBT) came to EUR 5.4 million (previous year: EUR 3.2 million).

Net profit for the period stands at EUR 3.9 million (previous year: EUR 2.5 million). The portion of this attributable to Bastei Lübbe AG's equity holders amounts to EUR 3.8 million (previous year: EUR 2.1 million). Accordingly, earnings per share equal EUR 0.29, up from EUR 0.16 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 3.2 million from EUR 90.1 million to EUR 93.3 million.



Non-current assets are valued at EUR 56.4 million, up from EUR 49.8 million as of 31 March 2021. Other intangible assets increased by EUR 1.5 million and goodwill by EUR 4.6 million due to the first-time consolidation of CE Community Editions. On the other hand, the derecognition of the 40 % share held in CE Community Editions GmbH, which had previously been accounted for using the equity method, resulted in a deduction of EUR 1.1 million. Author advances rose by EUR 2.6 million. These include 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 declined from EUR 40.4 million as of 31 March 2021 to EUR 36.9 million as of 30 September 2021 due to the distribution of the dividend as well as the acquisition of CE Community Editions GmbH.

At EUR 42.7 million, the share of equity attributable to the equity holders of the Parent Company is slightly higher than on 31 March 2021 (EUR 42.5 million). The net profit for the period of EUR 3.9 million (of which EUR 3.9 million is attributable to the equity holders of Bastei Lübbe AG) was offset by the dividend payment of EUR 3.8 million for fiscal year 2020/2021.

Non-current liabilities are valued at EUR 15.0 million, down from EUR 15.5 million as of 31 March 2021. Non-current lease liabilities stand at EUR 6.8 million (31 March 2021: EUR 7.0 million).

Current liabilities amounted to EUR 35.4 million as of 30 September 2021, up from EUR 32.0 million as of 31 March 2021. This reflects higher liabilities towards authors. Current lease liabilities are valued at EUR 1.3 million (31 March 2021: EUR 1.3 million).

Net financial assets stood at EUR 4.8 million as of 30 September 2021, down EUR 4.9 million on 31 March 2021 (EUR 9.7 million). This is mainly due to the aforementioned dividend payment of EUR 3.8 million in September 2021 as well as the fact that the acquisition of the remaining 60 % interest in CE Community Editions GmbH was financed via the cash flow.

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 2020/2021 annual report.

Outlook

Compared to the presentation in the 2020/2021 annual report, there have been no changes in the Executive Board's forecast for fiscal year 2021/2022:

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), accompanied by EBIT in a range of between EUR 11 million and EUR 12 million (previous year: EUR 10.9 million).

Following the acquisition of the remaining 60 % of the shares in Community Editions GmbH, we still project a free cash flow of EUR 5 million to EUR 6 million (previous year 11.8 million euros) 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 have any adverse effect on the forecast.

Cologne, 11 November 2021
Bastei Lübbe AG



Joachim Herbst
Speaker of the Executive Board
Chief Financial Officer



Sandra Dittert
Executive Board
Sales and Marketing



Simon Decot
Executive Board
Programme

Consolidated statement of financial position as of 30 September 2021

	30/09/2021 EUR k	31/03/2021 EUR k
Non-current assets		
Intangible assets	14,392	8,375
Author advances	22,336	19,759
Property, plant and equipment (including right-of-use assets)	8,975	9,585
Investments in associates	–	1,090
Financial assets	9,320	9,318
Deferred tax assets	1,387	1,634
	56,410	49,762
Current assets		
Inventories	10,653	9,423
Trade receivables	13,797	13,963
Financial assets	72	204
Income tax refund claims	263	208
Other receivables and assets	2,990	2,110
Cash and cash equivalents	9,087	14,472
	36,862	40,380
Total assets	93,271	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	11,656	11,550
Other comprehensive income	8,772	8,723
	42,673	42,519
Non-controlling interests	173	109
Total equity	42,846	42,628
Non-current liabilities		
Provisions	88	87
Deferred tax liabilities	1,630	1,042
Financial liabilities	12,840	13,799
Trade payables	487	592
	15,045	15,521
Current liabilities		
Financial liabilities	4,312	5,147
Trade payables	19,449	15,774
Income tax liabilities	3,159	1,874
Provisions	6,422	7,765
Other liabilities	2,037	1,433
	35,380	31,994
Total liabilities	50,425	47,514
Total equity and liabilities	93,271	90,142

Consolidated income statement for the period from 1 April 2021 until 30 September 2021

	01/04 – 30/09/2021	01/04 – 30/09/2020
	EUR k	EUR k
Continuing operations		
Revenues	41,340	41,125
Changes in inventories of finished goods and work in progress	-135	-321
Other operating income	373	1,179
Cost of materials	-18,788	-22,075
Personnel expenses	-8,863	-8,198
Other operating expenses	-8,161	-7,357
Share of profit of associates	–	14
Earnings before interest, income taxes, depreciation and amortisation (EBITDA)	5,766	4,368
Amortisation and depreciation	-1,210	-1,015
Impairment of financial assets	–	–
Earnings before interest and income taxes (EBIT)	4,556	3,353
Share of profit of associates	1,060	266
Net finance income/expenses	-172	-391
Earnings before income taxes (EBT) from continuing operations	5,442	3,229
Income taxes	-1,501	-1,343
Net profit for the period from continuing operations	3,942	1,886
Net profit for the period from discontinued operations	–	624
Consolidated net profit for the period	3,942	2,510
of which attributable to:		
Equity holders of Bastei Lübbe AG		
Net profit from continuing operations	3,852	1,881
Net profit from discontinued operations	–	242
	3,852	2,124
Non-controlling interests		
Net profit from continuing operations	89	5
Net profit from discontinued operations	–	382
	89	387
Earnings per share (basic = diluted) (based on the net profit for the period attributable to the equity holders of Bastei Lübbe AG)	0.29	0.16

Consolidated income statement for the period from 1 July 2021 until 30 September 2021

	01/07 – 30/09/2021	01/07 – 30/09/2020
	EUR k	EUR k
Continuing operations		
Revenues	22,176	22,633
Changes in inventories of finished goods and work in progress	-252	-292
Other operating income	236	1,124
Cost of materials	-10,376	-13,141
Personnel expenses	-4,278	-4,188
Other operating expenses	-4,334	-3,855
Share of profit of associates	–	5
Earnings before interest, income taxes, depreciation and amortisation (EBITDA)	3,172	2,286
Amortisation and depreciation	-644	-508
Impairment of financial assets	–	–
Earnings before interest and income taxes (EBIT)	2,528	1,777
Share of profit of associates	1,006	212
Net finance income/expenses	-91	-187
Earnings before income taxes (EBT) from continuing operations	3,443	1,802
Income taxes	-822	-902
Net profit for the period from continuing operations	2,621	901
Net profit for the period from discontinued operations	–	–
Consolidated net profit for the period	2,621	901
of which attributable to:		
Equity holders of Bastei Lübbe AG		
Net profit from continuing operations	2,525	909
Net profit from discontinued operations	–	–
	2,525	909
Non-controlling interests		
Net profit from continuing operations	95	-9
Net profit from discontinued operations	–	–
	95	-9
Earnings per share (basic = diluted) (based on the net profit for the period attributable to the equity holders of Bastei Lübbe AG)	0.19	0.07

Consolidated statement of comprehensive income for the period from 1 April 2021 until 30 September 2021

	01/04 – 30/09/2021	01/04 – 30/09/2020
	EUR k	EUR k
Net profit for the period	3,942	2,510
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	54	-89
Foreign currency translation differences	54	-89
Other comprehensive income	54	-89
Consolidated comprehensive income	3,997	2,422
of which attributable to:		
Equity holders of Bastei Lübbe AG	3,902	2,044
Non-controlling interests	94	378

Consolidated statement of comprehensive income for the period from 1 July 2021 until 30 September 2021

	01/07 – 30/09/2021	01/07 – 30/09/2020
	EUR k	EUR k
Net profit for the period	2,621	901
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	48	32
Foreign currency translation differences	48	32
Other comprehensive income	48	32
Consolidated comprehensive income	2,669	932
of which attributable to:		
Equity holders of Bastei Lübbe AG	2,569	945
Non-controlling interests	100	-13

Consolidated cash flow statement for the period from 1 April 2021 until 30 September 2021

	01/04 – 30/09/2021	01/04 – 30/09/2020
	EUR k	EUR k
Net profit for the period	3,942	2,510
+/- Depreciation and amortisation/writeups of intangible assets and property, plant and equipment	1,210	1,015
+/- Amortisation/writeups of author fees	4,365	7,263
+/- Other non-cash expenses/income	-173	-54
+/- Share of profit and loss of associates	-1,059	-266
+/- Increase/decrease in provisions	-1,652	578
-/+ Profit/loss from the sale of fully consolidated companies	50	155
-/+ Increase/decrease in income tax assets and liabilities including deferred tax assets and liabilities	1,435	1,554
- Author advances	-6,942	-13,484
-/+ Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	1,492	-4,664
+/- Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	2,407	8,481
Cash flow from operating activities	5,076	3,088
Of which cash flow from operating activities of continuing operations	–	1,594
+ Payments received from the disposal of intangible assets	5	0
- Payments made for purchases of intangible assets	-122	-639
- Payments made for purchases of property, plant and equipment	-78	-110
- Payments received from from the repayment of loans granted	-10	0
- Payments made for the acquisition of fully consolidated companies, less cash and cash equivalents acquired	-5,159	-647
+ Payments received from the sale of fully consolidated companies less cash and cash equivalents sold	-3	–
- Dividends from companies accounted for using the equity method	–	94
Cash flow from investing activities	-5,367	-1,301
Of which cash flow from investing activities of continuing operations	–	-748
- Payments to equity holders of the parent company (dividends)	-3,828	–
- Payments made to non-controlling interests (dividends)	-40	-31
- Payments made for the discharge of loans	-500	-1,410
- Payments made for lease liabilities	-726	-640
Cash flow from financing activities	-5,094	-2,082
Of which cash flow from financing activities of continuing operations	–	-2,060
Changes to cash and cash equivalents recognised in the cash flow statement	-5,385	-295
+ Cash and cash equivalents at the beginning of the period	14,472	2,903
= Cash and cash equivalents at the end of the period	9,087	2,608

Consolidated statement of changes in equity for the period from 1 April 2021 until 30 September 2021

(all amounts in EUR k)	Parent Company					Equity	Non-	Consoli-
	Sub-	Share	Unap-	Other	Cur-		control-	dated
	scribed	premium	propri-	compre-	rency		ling	equity
	capital		ated	hensive	transla-		inter-	
			surplus	income	tion re-		ests	
					serve			
Amount on 1 April 2020	13,200	9,045	4,055	1,989	5	28,295	-940	27,354
Changes in companies consoli-	-	-				-	706	706
dated								
Dividend distributions to share-	-	-				-	-31	-31
holders								
Net profit for the period	-	-	7,495	-	-	7,495	378	7,874
Other comprehensive income	-	-		6,770	-42	6,728	-4	6,724
Comprehensive income	-	-	7,495	6,770	-42	14,224	374	14,598
Amount on 30 September 2020	13,200	9,045	11,550	8,759	-36	42,519	109	42,628
Amount on 1 April 2021	13,200	9,045	11,550	8,759	-36	42,519	109	42,628
Changes in companies consoli-	-	-	81	-	-	81	10	90
dated								
Dividend distributions to share-	-	-	-3,828	-	-	-3,828	-40	-3,868
holders								
Net profit for the period	-	-	3,853	-	-	3,853	89	3,942
Other comprehensive income	-	-	-	-	49	49	6	54
Comprehensive income	-	-	3,853	-	49	3,902	94	3,997
Amount on 30 September 2021	13,200	9,045	11,656	8,759	13	42,674	173	42,846

Segment report for the period from 1 April 2021 until 30 September 2021

	Book		Novel booklets		Games (discontinued)		Total	
	04-09/ 2021	04-09/ 2020	04-09/ 2021	04-09/ 2020	04-09/ 2021	04-09/ 2020	04-09/ 2021	04-09/ 2020
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
Segment revenues	37,735	37,542	3,613	3,603	-	2,358	41,348	43,503
Internal revenues	8	20	-	-	-	-	8	20
External revenues	37,727	37,522	3,613	3,603	-	2,358	41,340	43,483
EBITDA	5,105	3,562	661	805	-	878	5,766	5,246
Depreciation and amortisation	-1,117	-915	-93	-100	-	-	-1,210	-1,015
EBIT	3,987	2,648	568	706	-	878	4,556	4,232

	Group total		Continuing operations		Discontinued operations	
	04-09/ 2021	04-09/ 2020	04-09/ 2021	04-09/ 2020	04-09/ 2021	04-09/ 2020
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
Segment revenues	41,348	43,503	41,348	41,145	-	2,358
Internal revenues	8	20	8	20	-	0
External revenues	41,340	43,483	41,340	41,125	-	2,358
EBITDA	5,766	5,246	5,766	4,368	-	878
Depreciation and amortisation	-1,210	-1,015	-1,210	-1,015	-	0
EBIT	4,556	4,232	4,556	3,353	-	878
Share of profit of associates	1,060	266	1,060	266	-	-
Net finance income/expenses	-172	-508	-172	-391	-	-117
Earnings before taxes	5,442	3,990	5,442	3,229	-	761
Income taxes	-1,501	-1,479	-1,501	-1,343	-	-137
Net profit for the period	3,942	2,510	3,942	1,886	-	624

Segment report for the period from 1 July 2021 until 30 September 2021

	Book		Novel booklets		Games (discontinued)		Total	
	07-09/ 2021	07-09/ 2020	07-09/ 2021	07-09/ 2020	07-09/ 2021	07-09/ 2020	07-09/ 2021	07-09/ 2020
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
Segment revenues	20,432	20,815	1,750	1,832	-	-	22,182	22,646
Internal revenues	6	14	0	0	-	-	6	14
External revenues	20,427	20,800	1,750	1,832	-	-	22,176	22,633
EBITDA	2,874	1,814	298	471	-	-	3,172	2,286
Depreciation and amortisation	-601	-459	-43	-50	-	-	-644	-510
EBIT	2,273	1,356	255	422	-	-	2,528	1,777

	Group total		Continuing operations		Discontinued operations	
	07-09/ 2021	07-09/ 2020	07-09/ 2021	07-09/ 2020	07-09/ 2021	07-09/ 2020
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
Segment revenues	22,182	22,646	22,182	22,646	-	-
Internal revenues	6	14	6	14	-	-
External revenues	22,176	22,633	22,176	22,633	-	-
EBITDA	3,172	2,286	3,172	2,286	-	-
Depreciation and amortisation	-644	-510	-644	-510	-	-
EBIT	2,528	1,777	2,528	1,777	-	-
Share of profit of associates	1,006	212	1,006	212	-	-
Net finance income/expenses	-91	-187	-91	-187	-	-
Earnings before taxes	3,443	1,802	3,443	1,802	-	-
Income taxes	-822	-901	-822	-901	-	-
Net profit for the period	2,621	900	2,621	900	-	-

Abridged notes to the interim consolidated financial statements of Bastei Lübbe AG, Cologne as of 30 September 2021

General disclosures

Bastei Lübbe AG (hereinafter also the “Parent Company”) has its registered office at Schanzenstraße 6 - 20, 51063 Cologne, Germany.

It is a German general-interest publisher based in Cologne, specialising in the publication of books, audio books and e-books featuring fiction and popular science content as well as periodicals in the form of novel booklets. Furthermore, licensing forms part of Bastei Lübbe’s business activities.

The interim financial statements and the interim management report have neither been audited in accordance with Section 317 of the German Commercial Code nor reviewed by an independent auditor.

Basis of preparation

The consolidated interim financial report as of 30 September 2021 has been prepared in accordance with IAS 34 - Interim Financial Reporting for the period from 1 April until 30 September 2021.

The recognition and measurement methods applied are fundamentally the same as those applied in the consolidated financial statements for the end of the last fiscal year. A detailed description of these methods can be found in the annual report for fiscal year 2020/2021.

Details of the new standards and interpretations as well as amendments to existing standards are set out in the relevant section of the annual report for fiscal year 2020/2021. The application of the amended standards and interpretations did not have any material impact on the Group’s net assets, financial position, results of operations or cash flow. Any material cyclical matters are deferred on the basis of the corporate planning during the year.

Principles of consolidation

There were no changes in the consolidation accounting methods compared with fiscal year 2020/2021. Details of these can be found in the notes to the consolidated financial statements as of 31 March 2021.

Shareholdings and companies consolidated

With economic effect from 1 August 2021, Bastei Lübbe AG acquired the remaining 60 % of the shares in CE Community Editions GmbH with registered offices in Cologne under a notarised agreement dated 21 July 2021 and is now the sole shareholder of that company. The company is assigned to the “Book” segment.

As a result of the acquisition of control, the investment previously accounted for using the equity method is fully consolidated from the date of acquisition. The consideration amounted to EUR 6.0 million, which was fully paid using the Company’s own funds. The acquisition of control led to a disposal of the investment which had previously been accounted for using the equity method and whose fair value amounted to EUR 1.1 million immediately before the acquisition date. The reclassification through profit and loss of the investment accounted for using the equity method and the remeasurement of the investment already held led to income of EUR 1.0 million, which was recognised within the share of profit of associates. Preliminary purchase price allocation resulted in non-tax-deductible goodwill of EUR 4.6 million. The fair value measurement of intangible assets indicated hidden reserves in an amount equalling the expected cash flows from the exploitation rights of the books already acquired for future release (EUR 0.3 million) as well as customary market licence rates for the brand (EUR 1.3 million). In addition, hidden reserves in an amount equalling the expected profit margins of the books stocked by Community Editions were identified within inventories

(EUR 0.3 million). It is assumed that the hidden reserves in the intangible assets will be realised within 1.5 or 15 years and the hidden reserves in the inventories within 1.5 years after acquisition.

First-time consolidation contributed an insignificant increase in Group revenues of EUR 1.2 million and an increase in Group EBIT of EUR 0.1 million in the first half of the fiscal year. If CE Community Editions GmbH had been consolidated from 1 April 2021, this would have resulted in an increase in Group revenues of EUR 1.6 million and a minor increase in Group EBIT of EUR 0.3 million.

With economic effect from 30 September 2021, Bastei Lübbe AG sold 75 % of the shares in J.P. Bachem Editionen GmbH with registered offices in Cologne to Bachem Verlag GmbH under a notarised agreement dated 4 October 2021. Deconsolidation of the company did not have any material effects on earnings.

There were no other changes in the companies consolidated compared with the consolidated financial statements for fiscal year 2020/2021.

Equity

As of the date on which this report was prepared, Bastei Lübbe AG holds treasury stock composed of 99,900 shares. 13,200,100 issued and fully paid-up no-par-value Bastei Lübbe AG shares are outstanding as of the reporting date.

Dividend

Of the unappropriated surplus of EUR 8,275,465.95 shown in the annual financial statements as of 31 March 2021, the Company distributed a total of EUR 3,828,029.00 as a dividend to the shareholders in the reporting period. The dividend equalled EUR 0.29 per share (including a bonus dividend of EUR 0.04 per share). The remaining unappropriated surplus of EUR 4,447,436.95 was carried forward.

Financial instruments

(EUR K)	Measurement category in accordance with IFRS 9	Measured in accordance with IFRS 9				Fair value 30 September 2021
		Carrying amount 30 September 2021	At amortised cost	At fair value through other comprehensive income	At fair value through profit and loss	
Assets						
Cash and cash equivalents	AC	9,087	9,087	-	-	-
Trade receivables	AC	13,797	13,797	-	-	-
Other originated financial assets	AC	236	236	-	-	-
Derivatives with no hedging relationship	FVPL	22	-	-	22	22
Investments in associates	FVOCI	8,865	-	8,865	-	8,865
Investments in associates	AC	193	193	-	-	-
Equity and liabilities						
Trade payables	AC	19,936	16,366	-	-	-
Liabilities to banks	AC	4,250	4,750	-	-	-
Other originated financial liabilities	AC	12,902	12,902	-	-	-
Contingent purchase price liabilities	n.a.	2,984	-	2,984	-	2,984
Derivatives with no hedging relationship	FVPL	1	-	-	-	0

(EUR K)	Measurement category in accordance with IFRS 9	Carrying amount 31/03/2021	Measured in accordance with IFRS 9			Fair value 31/03/2021
			At amortised cost	At fair value through other comprehensive income	At fair value through profit and loss	
Assets						
Cash and cash equivalents	AC	14,472	14,472	–	–	–
Trade receivables	AC	13,963	13,963	–	–	–
Other originated financial assets	AC	446	446	–	–	–
Derivatives with no hedging relationship	FVPL	18	–	–	18	18
Investments in associates	FVOCI	8,865	–	8,865	–	8,865
Investments in associates	AC	193	193	–	–	–
Equity and liabilities						
Trade payables	AC	16,366	16,366	–	–	–
Liabilities to banks	AC	4,750	4,750	–	–	–
Other originated financial liabilities	AC	11,206	11,206	–	–	–
Contingent purchase price liabilities	n.a.	2,984	–	2,984	–	2,984
Liability under put option	n.a.	0	–	–	-457	0
Derivatives with no hedging relationship	FVPL	6	–	–	6	6

Transactions with related parties

As stated in the notes to the consolidated financial statements for fiscal year 2020/2021, legal transactions are conducted with related parties within the meaning of IAS 24.5. There were no material changes as of the reporting date. The members of the Supervisory Board and the Executive Board do not hold any shares or voting rights.

Notes on the cash flow statement

Total net income tax payments made in the first half of the fiscal year came to EUR 17k (previous year: EUR 20k). Interest payments stand at EUR 114k (previous year: EUR 282k).

Changes to the Executive Board and the Supervisory Board

There have been no changes in the composition of the Executive Board and Supervisory Board.

Events after the reporting date

No events of particular significance as defined in IAS 10 for the assessment of the Bastei Lübbe AG Group's net assets, financial position and results of operations occurred after the end of the reporting period.

Responsibility statement

To the best of our knowledge and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements of Bastei Lübbe AG, Cologne, as of 30 September 2021 give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remainder of the fiscal year.

Cologne, 11 November 2021

Bastei Lübbe AG
The Executive Board



Joachim Herbst
Speaker of the Executive Board
Chief Financial Officer



Sandra Dittert
Executive Board
Sales and Marketing



Simon Decot
Executive Board
Programme

Financial calendar 2021/2022

Date	Event
10 February 2022	Quarterly statement (Q3)
12 July 2022	Annual press conference
11 August 2022	Quarterly statement (Q1)
14 September 2022	Annual general meeting
10 November 2022	Financial report for the first half of the year (HY1)
9 February 2023	Quarterly statement (Q3)

Legal notice

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

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Bastei Lübbe AG's Report on the First Half of Fiscal Year 2021/2022 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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