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LÜBBE 



QUARTERLY
STATEMENT
1 APRIL – 30 JUNE 2022

At a glance

Financial indicators (IFRS) in € millions	1 April - 30 June 2022	1 April - 30 June 2021	Change
Revenues	19.0	19.2	-1.1%
EBIT	0.3	2.0	-84.4%
EBIT margin (%)	1.7%	10.5%	-8.9 pp
Consolidated earnings	0.1	1.4	-91.2%
Earnings (in EUR)	0.01	0.10	-90.0%
	30 June 2022	31 March 2022	
Total assets	103.2	104.3	-1.1%
Equity*	56.3	56.3	0.1%
Equity ratio (%)	54.6%	54.0%	0.6 pp
Net financial assets	14.8	14.2	4.2%

* Including non-controlling interests

Economic report

Underlying conditions

At the beginning of 2022, the German economy was headed for recovery despite rising inflation and bottlenecks along the global supply chains. At the end of February, the Russian war of aggression against Ukraine broke out, causing the recovery to weaken substantially. All in all, this placed a damper on almost all segments of the German economy.¹

In March, exports to Russia slumped as a result of the sanctions. This on its own resulted in a 1.2% reduction in German exports of goods within a month. In addition, the war and the consequences arising from it worsened the bottlenecks in the supply of raw materials and intermediate products. The problems along the supply chains as well as significantly higher energy prices and, resulting from this, higher production costs are in turn driving producer prices up noticeably. In addition to energy, food prices in particular also rose. However, the prices of other goods and services also climbed at rates far above the average. At the beginning of the year, the resultant loss in the purchasing power of private households triggered a decline in consumer spending, causing private consumption to level off due to the higher consumption of services as a whole. Based on the figures released by the German Federal Statistical Office, the economy remained flat in the second quarter of 2022 compared with the first quarter, meaning that there was no further growth. Growth in the first quarter had reached 0.8%, translating into a year-on-year increase of around 1.5%.²

The ifo Institute assumes that gross domestic product in Germany will widen by 2.5% in 2022 and by 3.7% in 2023. At 6.8%, the inflation rate is expected to reach its highest level since 1974 this year. Consumer prices are also forecast to rise by an above-average 3.3 % in the coming year.³

With regard to consumer confidence, market research institute GfK expects consumers to remain cautious due to the war in Ukraine and the persistently high inflation rates. The GfK consumer climate index, which measures private households' propensity to consume, fell to -27.7 points in July 2022. The experts are forecasting a figure of -30.6 points in August 2022, thus marking another record low in consumer sentiment.⁴

Industry environment in the Bastei Lübbe business segments

For book publishers, the macroeconomic problems are also increasingly feeding through to operating business. Specifically, these concern significant increases in the cost of energy, fuels and other raw materials as well as personnel. In addition, there is a shortage of paper, which is a crucial raw material, repeatedly arising from procurement bottlenecks and leading to an overall rise in paper prices.

The book industry is now facing an increasingly difficult situation following the crisis resistance shown during the Corona pandemic.. Brick-and-mortar bookstores in particular continue to suffer from low foot traffic in city centers, with sales down 11.1% compared to the pre-pandemic year 2019. At the same time, consumer preferences are continuing to shift from stationary to online retailers. Deliberate rather than spontaneous purchases are growing in importance and the focus is on best sellers, something which is reducing diversity on the

¹ www.ifo.de/fakten/2022-06-15/ifo-konjunkturprognose-sommer-2022-inflation-lieferengpaesse-und-krieg-bremsen

² www.destatis.de/DE/Presse/Pressemitteilungen/2022/07/PD22_322_811.html

³ www.ifo.de/fakten/2022-06-15/ifo-konjunkturprognose-sommer-2022-inflation-lieferengpaesse-und-krieg-bremsen

⁴ de.statista.com/statistik/daten/studie/2425/umfrage/gfk-konsumklima-index/

supply as well as on the demand side. The environment is simultaneously placing pressure on the industry.⁵

According to industry association Börsenverein, revenues from book stores, e-commerce, railway station book stores, department stores, consumer electronics stores and pharmacies were around 3.0% lower at the end of the first half of 2022 than in the first six months of the pre-pandemic year of 2019. Compared to the first half of 2021, revenues in the book market rose by 0.7%. With an increase of 15.3%, revenues in full-range book retailing grew at a particularly sharp rate in the first half of 2022, but this is due to the effects of the pandemic-related shop closures over a period of several months last year. Overall, the trend in the book market is pointing downwards. With contraction of 6.2%, June 2022 was the second consecutive month to see a significant decline in sales. Volume sales – i.e. the number of copies sold – also fell by 6.2%. The prices are unchanged over the previous year. All book product groups were affected by the declines except for travel guides.⁶

Börsenverein currently has no data on e-book sales in the first half of the year. Based on the previous calendar year, sales of e-books in the general-interest market rose by 3.2% in 2021 compared with the previous year.⁷ 5.7% of all revenues in the general-interest book market were generated by e-books.⁸ Volume sales were up 6.0% in this period, rising from 35.8 million to 38.0 million units. The average price paid for an e-book dropped by 2.7% from €6.63 to €6.45.⁹

Revenues from physical audiobooks sustained a further significant year-on-year decline in the first half of 2022. Audio books (down 20.6 percent) are cumulatively lower than in the first half of the previous year.¹⁰

⁵ www.boersenverein.de/fileadmin/bundesverband/dokumente/markt_daten/marktforschung/wirtschaftszahlen/WIPK_2022_Praesentation.pdf

⁶ [www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14\[uid\]=2047&tx_boev_pi14\[backend_layout\]=pagets__newsletter](http://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14[uid]=2047&tx_boev_pi14[backend_layout]=pagets__newsletter)

⁷ www.boersenverein.de/fileadmin/bundesverband/dokumente/markt_daten/marktforschung/wirtschaftszahlen/WIPK_2022_Praesentation.pdf

⁸ de.statista.com/statistik/daten/studie/265276/umfrage/umfrage-in-deutschland-zum-kauf-von-e-books/#statisticContainer,

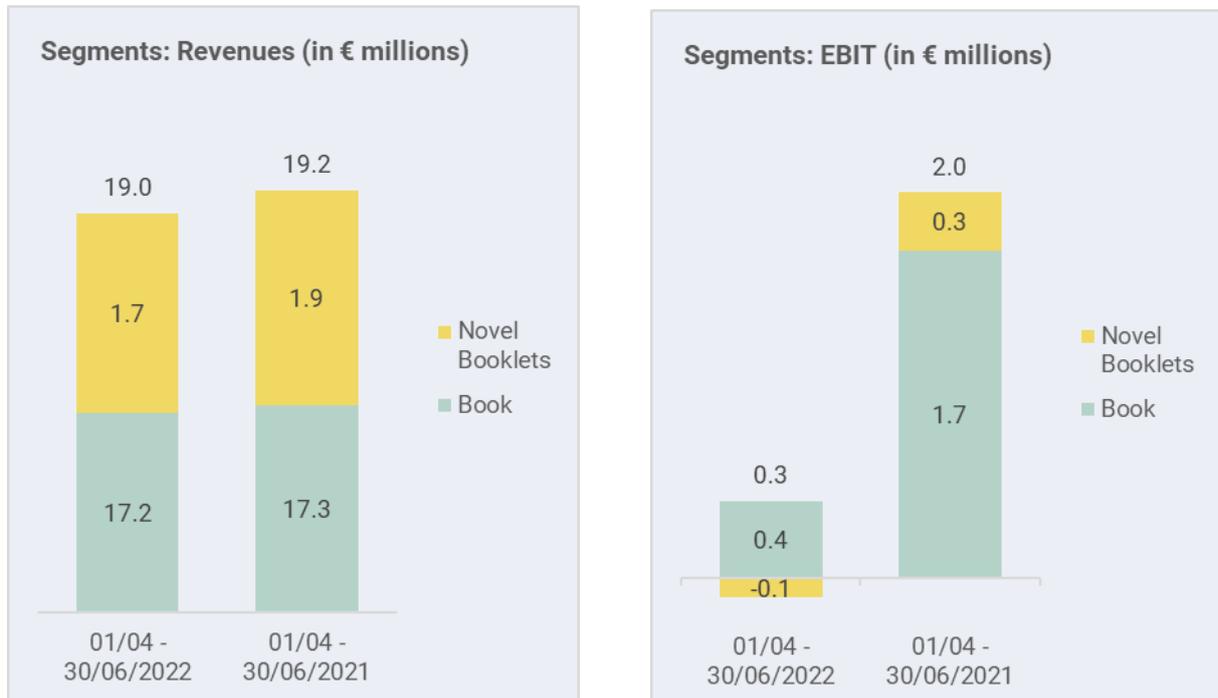
⁹ de.statista.com/statistics/data/study/232200/poll/average-price-of-e-books-in-germany/

¹⁰ [www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14\[uid\]=2047&tx_boev_pi14\[backend_layout\]=pagets__newsletter](http://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14[uid]=2047&tx_boev_pi14[backend_layout]=pagets__newsletter)

Business performance

Results of operations

The first quarter of the 2022/2023 financial year was characterised by consumer restraint resulting in particular from the Ukraine crisis and higher inflation. In this difficult market environment, Bastei Lübbe AG posted Group revenues of €19.0 million in the period from April to June of the 2022/2023 financial year, down from €19.2 million in the same period of the previous year. This translates into a decline of €1.1 million over the previous year. EBIT fell to €0.3 million in the first quarter of the 2022/2023 financial year, down from €2.0 million in the same period in the previous year.



Revenues of €17.2 million (previous year: €17.3 million) were achieved in the “Book” segment. Compared to the previous year, the full consolidation of CE Community Editions GmbH contributed revenues of €1.6 million. At Bastei Lübbe AG, muted consumer spending is particularly noticeable in the “fiction”, “non-fiction” and “children’s and young people’s books” segments. In addition, digital revenues fell by €0.8 million over the previous year in the period under review. The revenue share of community-driven business models increased significantly year-on-year from 20% to 33%, fuelled primarily by LYX and the full consolidation of Community Editions. Segment EBIT declined in particular from €1.7 million in the previous year to €0.4 million in the current financial year, chiefly due to the margin-reducing effects of higher printing and paper prices and the scheduled increase in personnel costs.

The “Novel Booklets” segment generated revenues of €1.7 million in the quarter under review, compared with €1.9 million in the previous year. At €-0.1 million, segment EBIT fell short of the previous year (€0.3 million) in the quarter under review due to lower revenues and higher paper and printing costs.

Changes in inventories of finished goods and work in progress came to €0.1 million, i.e. the same as in the previous year (€0.1 million).

At €9.2 million in the quarter under review, the cost of materials was up on the previous year (€8.4 million). This is mainly due to higher printing and paper costs.

Personnel expenses climbed from €4.6 million in the previous year to €5.1 million, reflecting the higher number of employees, including as a result of the acquisition of CE Community Editions GmbH, as well as planned salary increases.

At €3.8 million, other operating expenses were unchanged over the previous year (€3.8 million).

Amortisation and depreciation rose from €0.6 million to €0.7 million in the period under review.

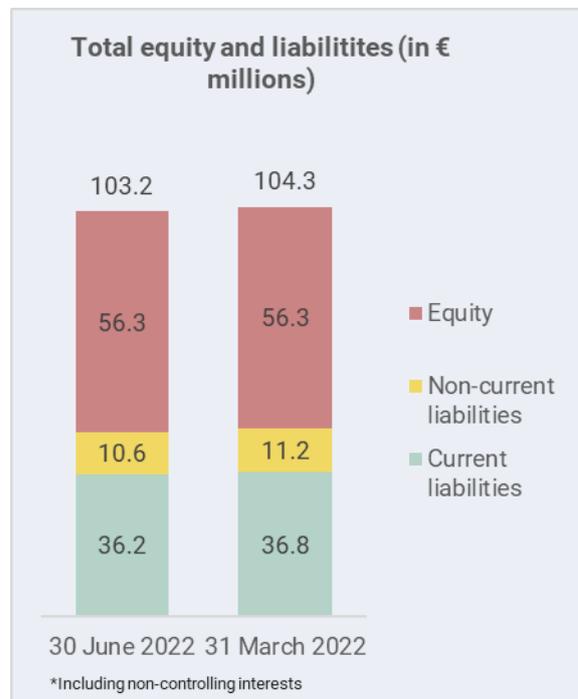
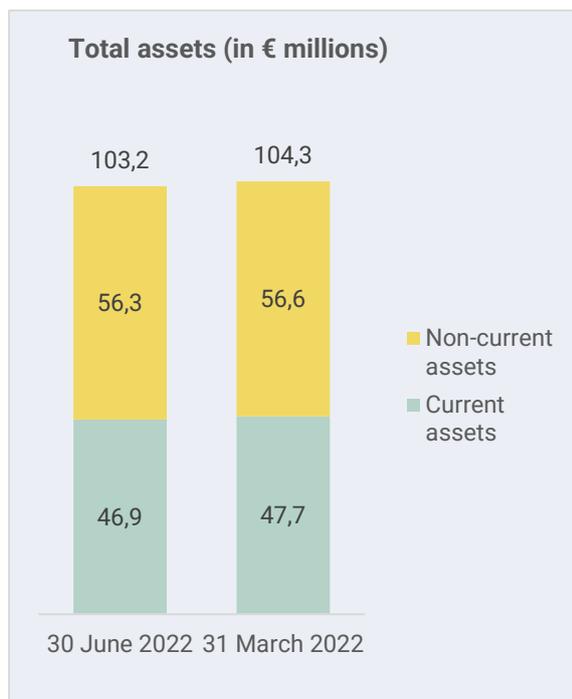
Group earnings before interest and taxes (EBIT) came to €3.0 million in the period from April to June (previous year: €2.0 million). The EBIT margin stands at 1.7%, compared with 10.5% in the same period of the previous year.

Other financial result came to a total of €-0.1 million (previous year: €-0.1 million). Earnings before taxes (EBT) amounted to €0.2 million (previous year: €2.0 million).

Consolidated profit for the period came to €0.1 million (previous year: €1.4 million). The portion of this attributable to Bastei Lübbe AG's equity holders amounts to €0.1 million (previous year: €1.4 million). Earnings per share reached €0.01, down from €0.10 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 fell by €1.1 million compared to the 31 March 2022 balance-sheet date, from €104.3 million to €103.2 million.



Non-current assets are valued at €56.3 million, down from €56.6 million as of 31 March 2022. Author advances fell by €0.2 million. Right-of-use assets under leases amount to €7.2 million (31 March 2022: €7.5 million).

Current assets declined slightly from €47.7 million as of 31 March 2022 to €46.9 million as of 30 June 2022.

At €56.2 million, the share of equity attributable to the equity holders of the Parent Company is slightly higher than on 31 March 2022 (€56.1 million). The increase is due to the net profit for the period of €0.1 million (of which €0.1 million is attributable to the equity holders of Bastei Lübbe AG).

Non-current liabilities are valued at €10.6 million, down from €11.2 million as of 31 March 2022. Non-current lease liabilities stand at €6.1 million (31 March 2022: €6.4 million).

Current liabilities are valued at €36.2 million as of 30 June 2022, compared with €36.8 million as of 31 March 2022. Current lease liabilities amount to €1.4 million (31 March 2022: €1.4 million).

Net financial assets stand at €14.8 million as of 30 June 2022, up €0.6 million on 31 March 2022 (€14.2 million).

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

Compared to the presentation in the 2021/2022 annual report, the Executive Board's forecast for the 2022/2023 financial year has not changed. The Executive Board continues to expect revenues in a bandwidth of €90 to 95 million and EBIT ranging between €9.5 and 10.5 million. The EBIT forecast includes an €1.0 million distribution by Räder GmbH roughly in line with the previous year (€1.2 million).

Cologne, 11 August 2022
Bastei Lübbe AG



Soheil Dastyari
Chief Executive
Officer



Joachim Herbst
Chief Financial
Officer



Sandra Dittert
Executive Board
Chief Marketing
and Sales Officer



Simon Decot
Chief Programme
Officer

Consolidated statement of financial position as of 30 June 2022

€k	30 June 2022	31 March 2022
Intangible assets	11,091	11,177
Author advances	20,317	20,144
Property, plant and equipment (including right-of-use assets)	8,121	8,435
Financial assets	15,403	15,496
Deferred tax assets	1,350	1,370
Non-current assets	56,281	56,622
Inventories	11,975	11,806
Trade receivables	13,960	14,143
Financial assets	60	210
Income tax refund claims	463	522
Other receivables and assets	2,225	3,014
Cash and cash equivalents	18,217	17,974
Current assets	46,900	47,668
Total assets	103,182	104,291
Subscribed capital	13,200	13,200
Share premium	9,045	9,045
Unappropriated surplus/accumulated deficit	18,784	18,678
Other comprehensive income	15,122	15,163
Equity attributable to Bastei Lübbe AG shareholders	56,151	56,086
Shares held by non-controlling shareholders	188	206
Equity	56,340	56,292
Provisions	201	201
Deferred tax liabilities	1,313	1,358
Financial liabilities	8,743	9,315
Trade payables	351	351
Non-current liabilities	10,609	11,225
Financial liabilities	6,049	5,895
Trade payables	15,175	16,291
Income tax liabilities	5,151	5,156
Provisions	7,399	7,733
Other liabilities	2,459	1,698
Current liabilities	36,234	36,773
Total liabilities	46,842	47,998
Total equity and liabilities	103,182	104,291

Consolidated income statement for the period from 1 April 2022 to 30 June 2022

€k	1 April - 30 June 2022	1 April - 30 June 2021
Revenues	18,953	19,157
Changes in inventories of finished goods and work in progress	141	117
Other operating income	29	146
Cost of materials	-9,225	-8,412
Personnel expenses	-5,101	-4,585
Other operating expenses	-3,800	-3,824
Share of profit of associates	-	-
Earnings before interest, income taxes, depreciation and amortisation (EBITDA)	998	2,598
Amortisation and depreciation	-684	-580
Impairment/remeasurement gains on financial assets	-	-4
Earnings before interest and income taxes (EBIT)	314	2,014
Share of profit of associates	-	53
Net finance income/expenses	-89	-81
Earnings before taxes (EBT)	225	1,986
Income taxes	-106	-635
Consolidated net profit for the period	119	1,352
Of which attributable to:		
Equity holders of Bastei Lübbe AG	106	1,362
Shares held by non-controlling shareholders	13	-11
Earnings per share in euros (basic = diluted) (based on the net profit for the period attributable to the shareholders of Bastei Lübbe AG)	0.01	0.10

Consolidated statement of comprehensive income for the period from 1 April 2022 to 30 June 2022

€k	1 April - 30 June 2021	1 April - 30 June 2021
Consolidated net profit for the period	119	1.352
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	-45	6
Foreign currency translation differences	-45	6
Other comprehensive income	-45	6
Consolidated comprehensive income	74	1.358
Of which attributable to:		
Equity holders of Bastei Lübbe AG	65	1.368
Shares held by non-controlling shareholders	9	-10

**Segment report for the period
from 1 April 2022 to 30 June 2022**

	Book		Novel booklets		Group	
	04-06/2022	04-06/2021	04-06/2022	04-06/2021	04-06/2022	04-06/2021
€k						
Segment revenues	17.340	17.297	1.723	1.863	19.064	19.160
Internal revenues	110	3	–	–	110	3
External revenues	17.230	17.293	1.723	1.863	18.953	19.157
EBITDA	1.038	2.234	-41	364	998	2.598
Amortisation and depreciation	-630	-530	-54	-51	-684	-580
Impairment/writeups of financial assets	–	-4	–	–	–	-4
EBIT	409	1.700	-95	313	314	2.014

Financial calendar 2022/2023

Date	Event
14 September 2022	Annual general meeting
10 November 2022	Half-year financial report as of 30 September 2022 (HY1)
9 February 2023	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.

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

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