

UNITED INTERNET AG

Analyst and investor

Webcast – Q1-Results 2020

**Montabaur,
May 13, 2020**



KPIs 3M 2020

- 24.91 million customer contracts: + 170,000 in the first 3 months 2020

Revenues and earnings figures (in € million)	3M 2019	3M 2020	Change
Revenues	1,276.5	1,329.4	+ 4.1 %
EBITDA	299.7	300.8	+ 0.4 %
EBIT	181.1	184.2	+ 1.7 %
EPS before impairments ⁽¹⁾ (in €)	0.46	0.47	+ 2.2 %
EPS before PPA and impairments ⁽¹⁾ (in €)	0.58	0.59	+ 1.7 %

- EBITDA 3M 2020 impacted by:
 - € 6.9 million additional costs from regulatory decisions on EU SMS and last mile (TAL) in „Consumer Access“
 - € 2.8 million initial 5G costs (prior year: € 1.0 million)
 - € 0.3 million one-offs from integration projects (prior year: € 2.1 million)
 - € 4.9 million Covid-19 impact, due to temporarily changed usage behaviour of customers

➔ Adjusted for the aforementioned effects, the comparable EBITDA increased by 4.3 %

⁽¹⁾ without impairment Tele Columbus in 2019 and 2020

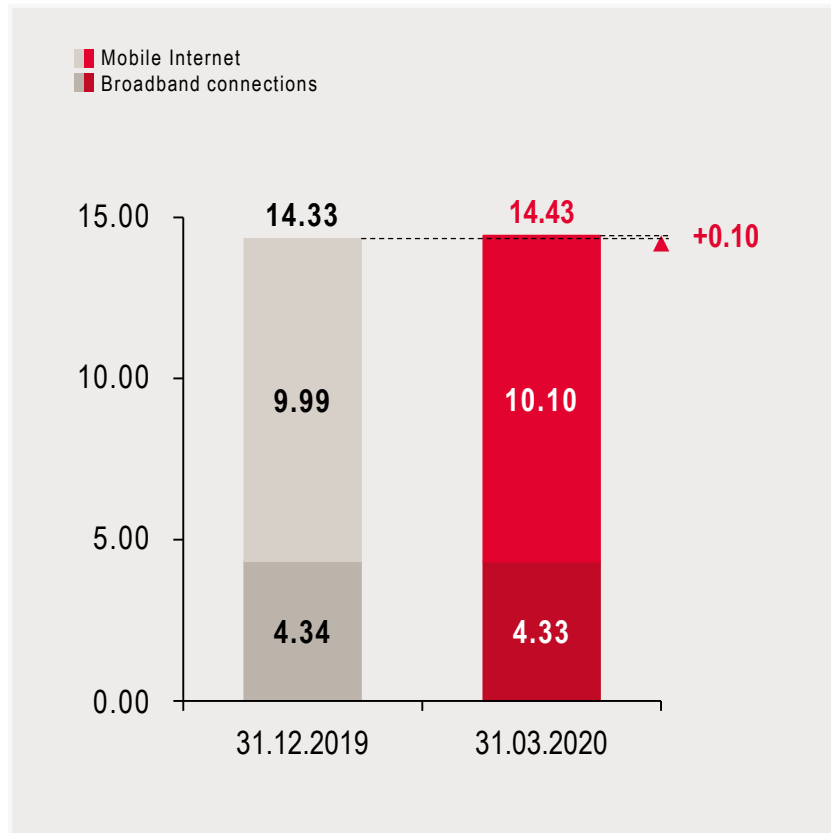
“ACCESS” IN 3M 2020

- CONSUMER ACCESS
- BUSINESS ACCESS

- BUSINESS APPLICATIONS
- CONSUMER APPLICATIONS

CONSUMER ACCESS SEGMENT: CUSTOMER CONTRACTS

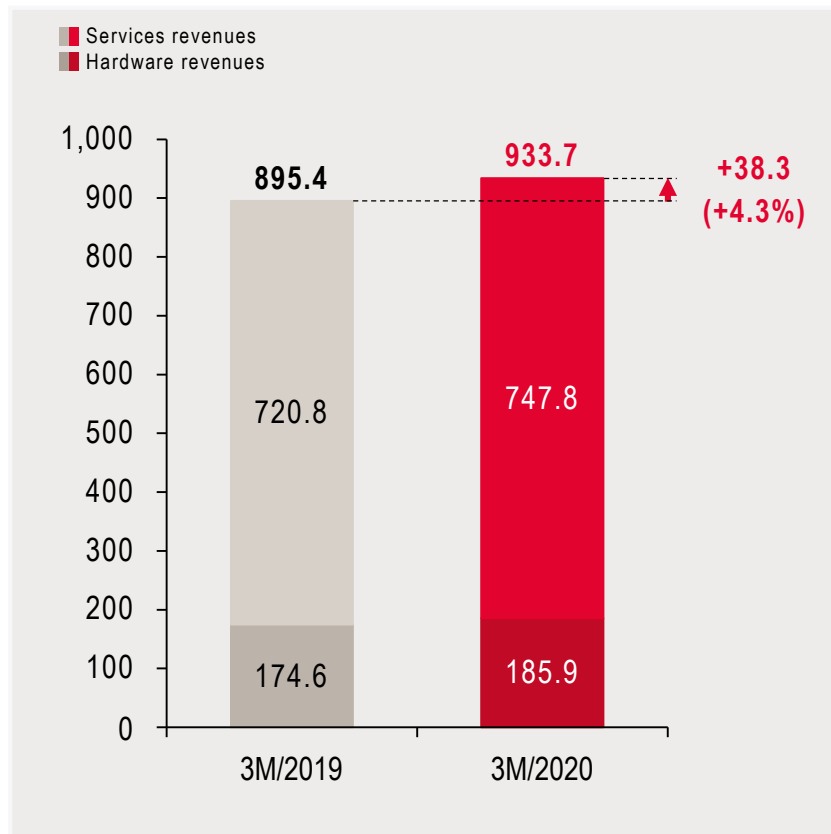
(in million)



- 14.43 million customer contracts (+ 100,000)
- 10.10 million mobile internet contracts (+ 110,000)
- 4.33 million broadband connections (- 10,000)
ADSL / VDSL / FTTH

CONSUMER ACCESS SEGMENT: REVENUES

(acc. to IFRS in € million)

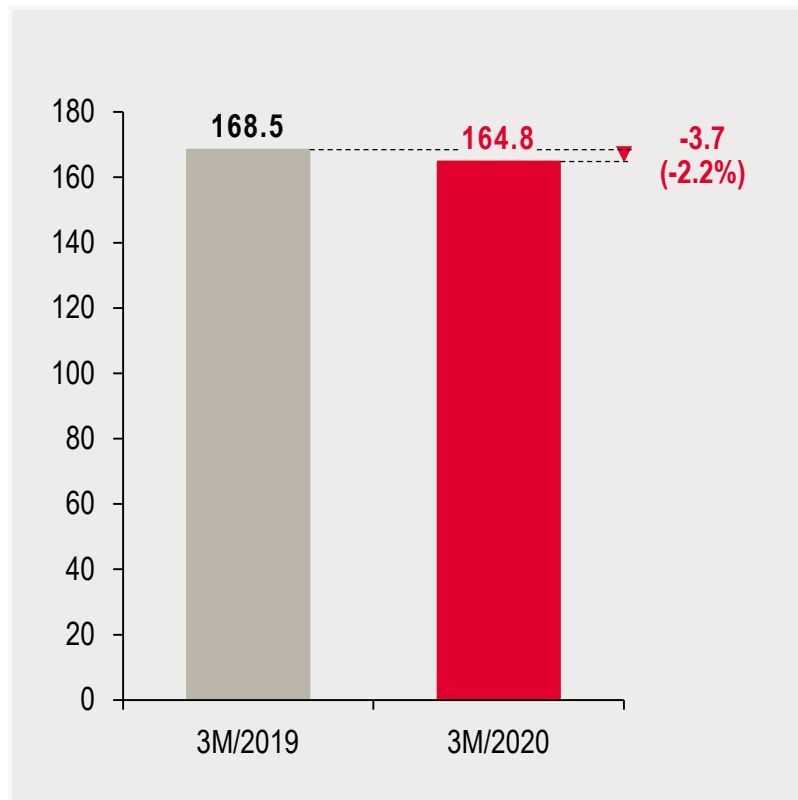


- + 4.3 % revenues to € 933.7 million
 - + 3.7 % service revenues to € 747.8 million
 - thereof € + 3.1 million Covid-19 impact, from temporarily changed user behavior⁽¹⁾
 - + 6.5 % hardware revenues to € 185.9 million
- ➔ + 3.9 % w/o the Covid-19 effect

⁽¹⁾ in particular in the field of telephony (voice), inter alia through home office regulations and contact restrictions

CONSUMER ACCESS SEGMENT: EBITDA

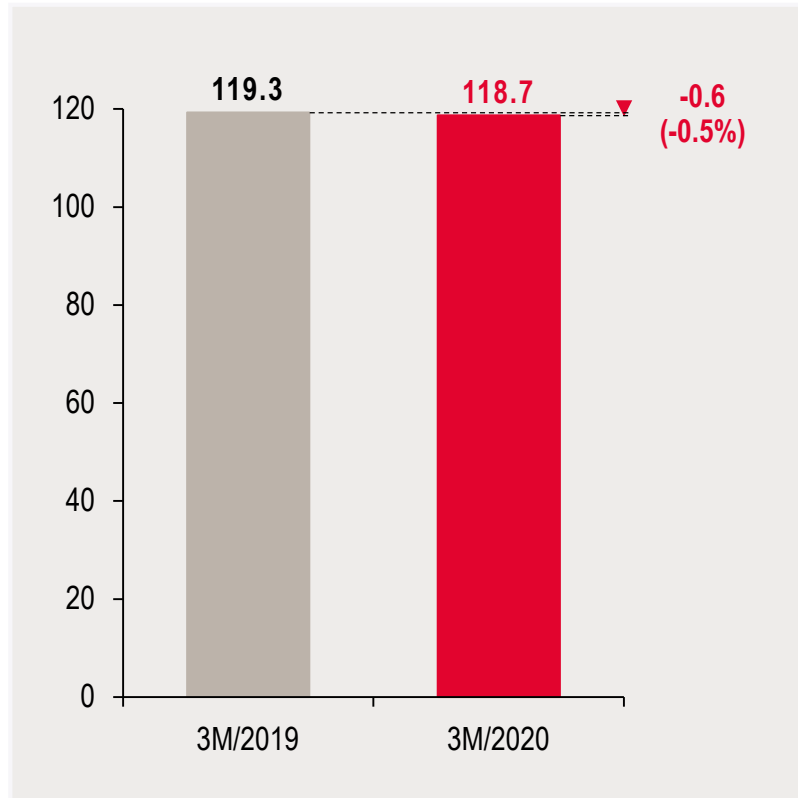
(acc. to IFRS in € million)



- - 2.2 % EBITDA to € 164.8 million
 - € - 0.3 million one-offs from Drillisch integration (prior year: € - 2.1 million), increase of € - 6.9 million subscriber line costs since July 19 (TAL) & EU SMS and € - 2.8 million initial 5G costs (prior year: € - 1.0 million)
 - € - 4.9 million Covid-19 impact, from temporarily changed user behaviour
- 17.7 % EBITDA margin (prior year: 18.8 %)
- ➔ + 4.7 % comparable EBITDA – like-for-like w/o effects from special items (integration costs, subscriber line costs (TAL) & EU SMS, initial 5G costs, Covid-19)

BUSINESS ACCESS SEGMENT: REVENUES

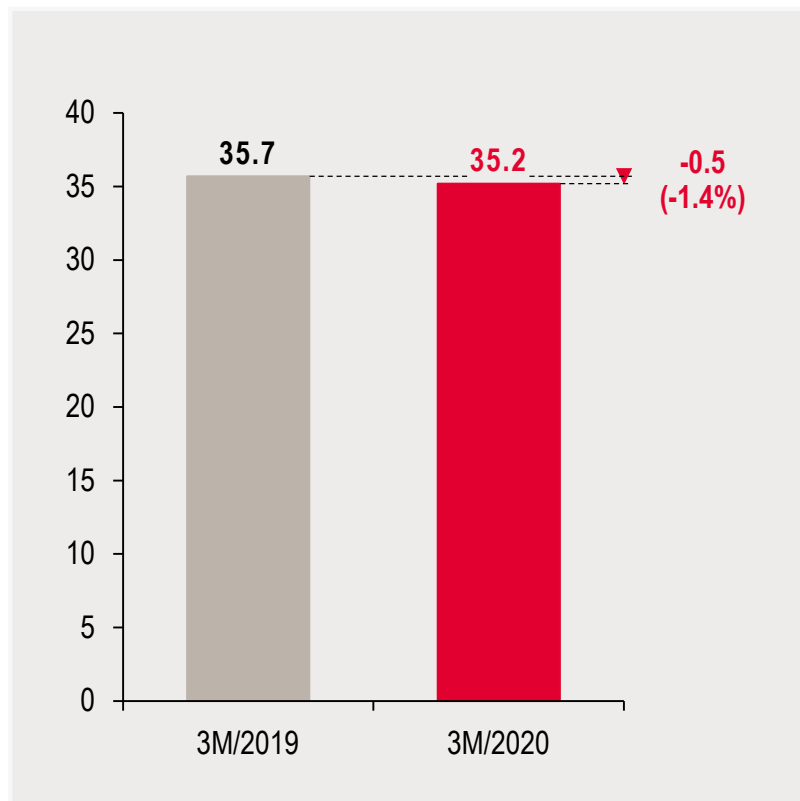
(acc. to IFRS in € million)



- - 0.5 % revenues to € 118.7 million
 - Decline due to services that expired in FY 2019 for broadband customers acquired from 1&1 Drillisch in 2017
- ➔ + 3.6 % in business areas B2B & Wholesale (prior year: €114.6 million)

BUSINESS ACCESS SEGMENT: EBITDA

(acc. to IFRS in € million)



- - 1.4 % EBITDA to € 35.2 million
- 29.7 % EBITDA margin (prior year: 29.9 %)
- ➔ + 4.1 % EBITDA w/o the services provided for broadband customers acquired from 1&1 Drillisch (prior year: € 33.8 million)

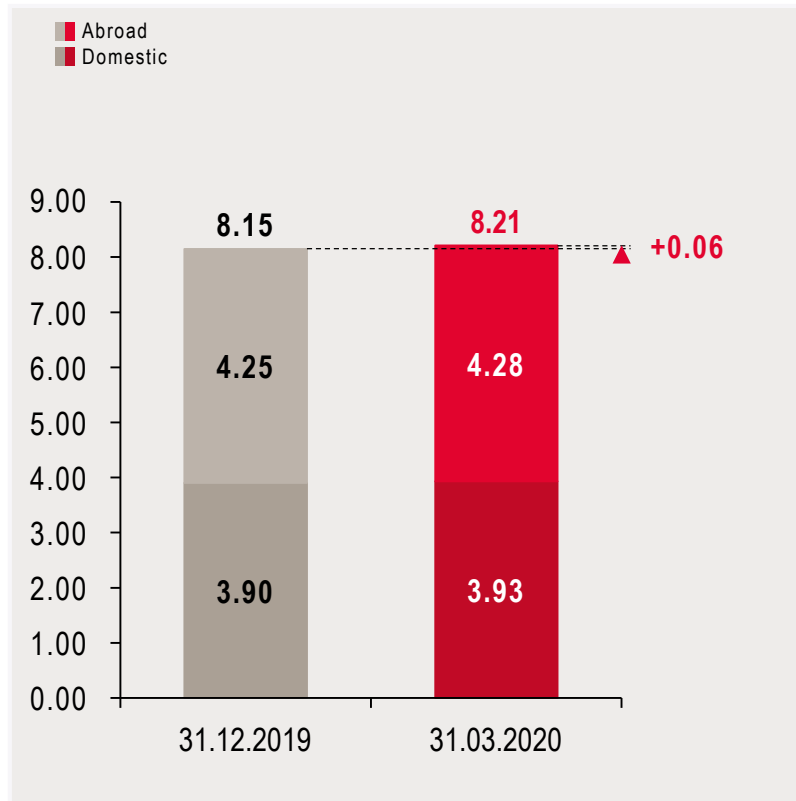
„APPLICATIONS“ IN 3M 2020

- CONSUMER ACCESS
- BUSINESS ACCESS

- BUSINESS APPLICATIONS
- CONSUMER APPLICATIONS

BUSINESS APPLICATIONS SEGMENT: CUSTOMER CONTRACTS

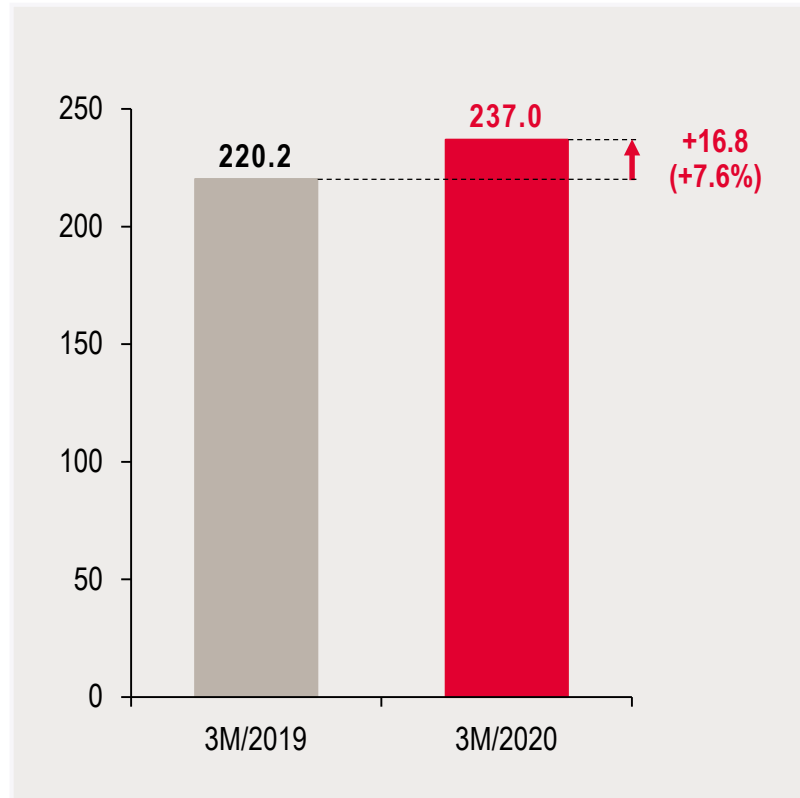
(in million)



- 8.21 million customer contracts (+ 60,000)
- 3.93 million domestic
- 4.28 million abroad

BUSINESS APPLICATIONS SEGMENT: REVENUES

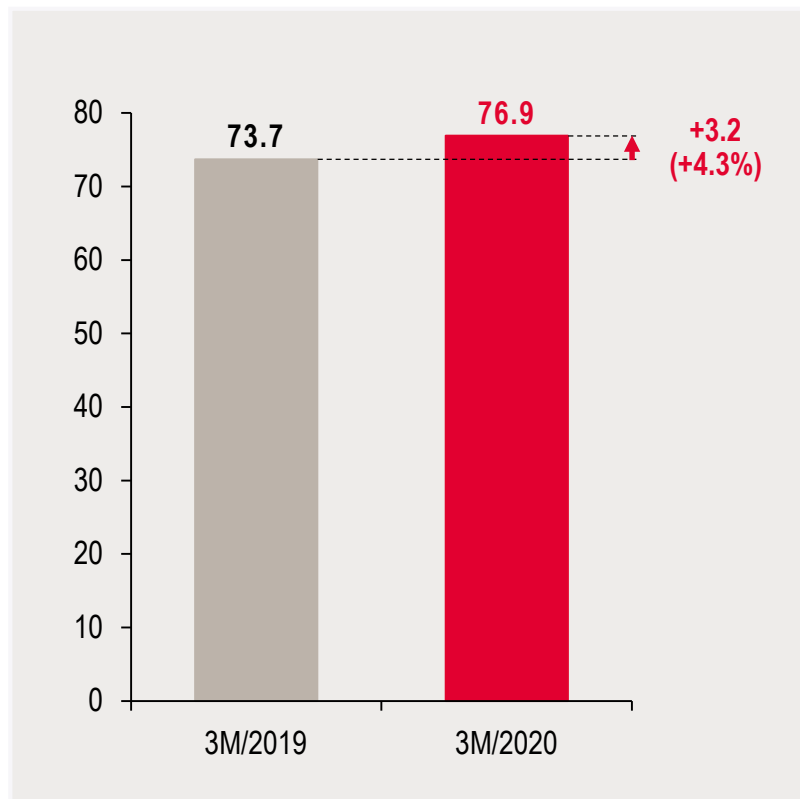
(acc. to IFRS in € million)



- + 7.6 % revenues to € 237.0 million
 - Customer growth
 - Up- und Cross-Selling
 - Positive effects from the low-margin and volatile domain parking business of Sedo

BUSINESS APPLICATIONS SEGMENT: EBITDA

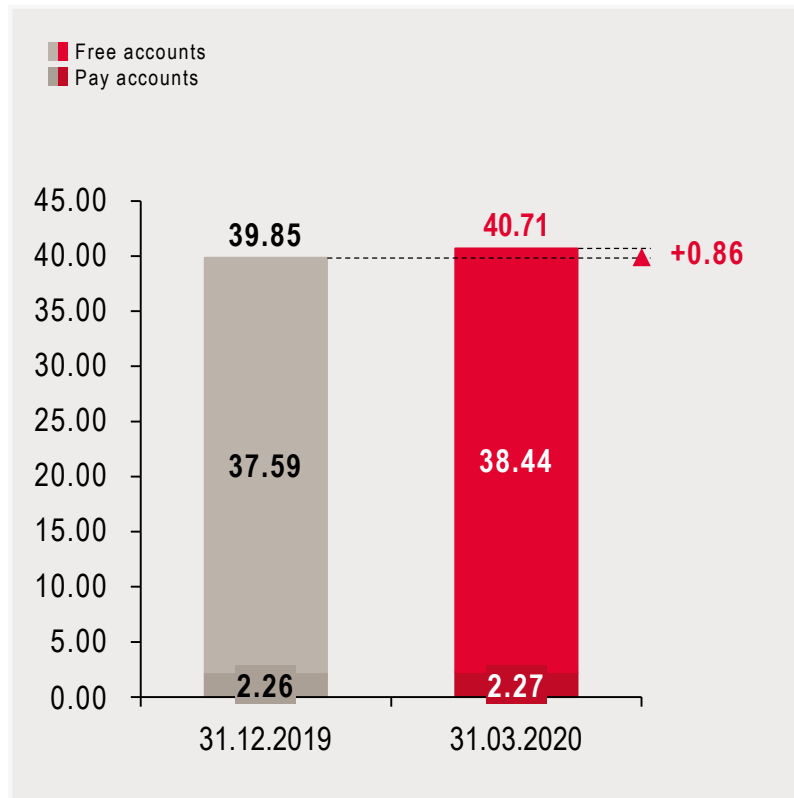
(acc. to IFRS in € million)



- + 4.3 % EBITDA to € 76.9 million
 - Incl. € 30.7 million marketing expenses
(prior year: € 30.9 million, thereof
€ 7.0 million rebranding expenses)
- 32.4 % EBITDA margin (prior year: 33.5 %)
- ➔ + 7.9 % comparable EBITDA,
w/o a one-off negative IFRS 16 effect

CONSUMER APPLICATIONS SEGMENT: ACCOUNTS

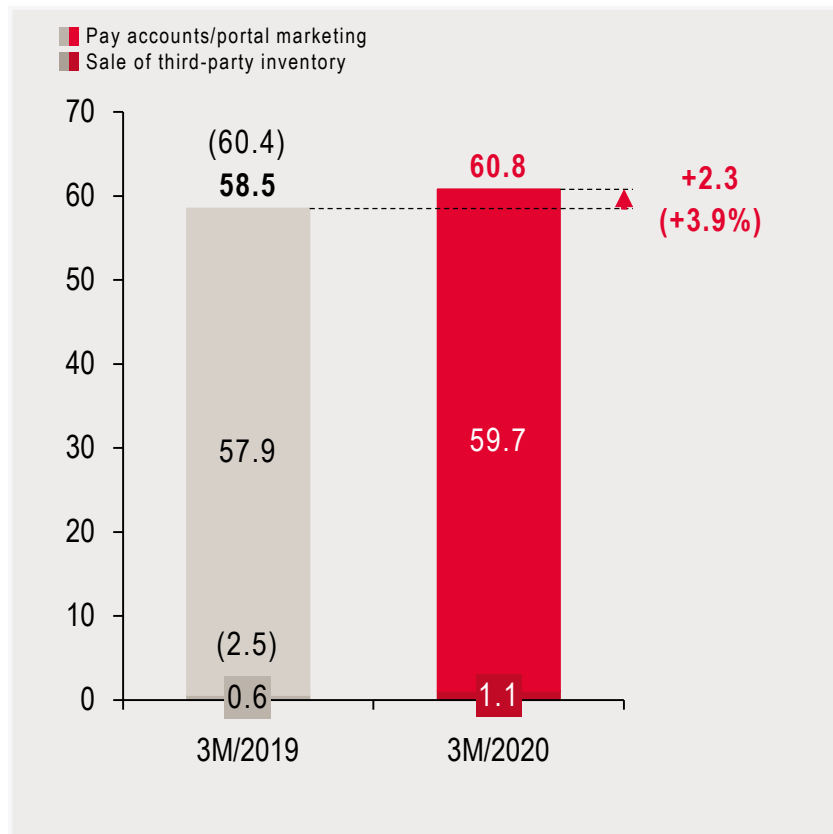
(in million)



- 40.71 million consumer accounts
 - 38.44 million free accounts (+ 850,000)
 - 2.27 million pay accounts (+ 10,000)
- thereof 25.5 million with mobile usage (+ 900,000)
- thereof 19.9 million with cloud storage (+ 400,000)

CONSUMER APPLICATIONS SEGMENT: REVENUES

(acc. to IFRS in € million)

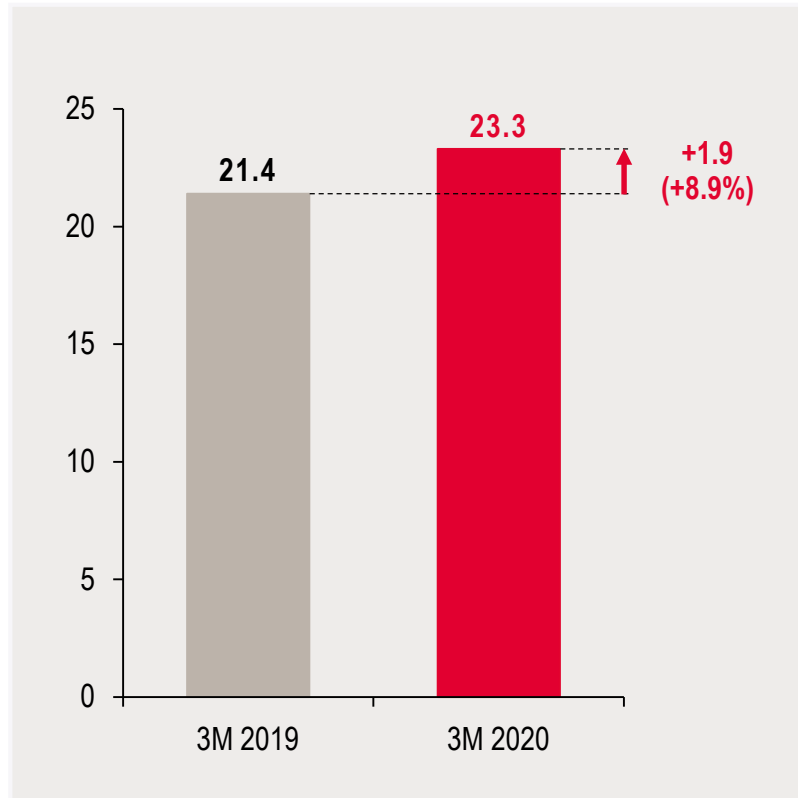


- + 3.9 % revenues to € 60.8 million
- + 3.1% revenues to € 59.7 million (prior year: € 57.9 million) in the core business with pay accounts and marketing of the advertising inventory of the own portals

(1) Revenues in 2019 following a change in third-party marketing revenues from gross to net in 2020; in brackets the booked value in 2019 based on gross disclosure.

CONSUMER APPLICATIONS SEGMENT: EBITDA

(acc. to IFRS in € million)



- + 8.9 % EBITDA to € 23.3 million
- 38.1 % EBITDA margin (prior year: 35.4 %)
- ➔ + 4.0 % comparable EBITDA,
w/o one-off positive IFRS 16 effect

KEY FINANCIAL KPIs AS OF 31 MARCH 2020

(contracts in million / financial KPIs acc. to IFRS in € million)

	3M 2019	3M 2020	Change
Fee-based customer contracts (prev. year as of Dec. 31, 2019)	24.74	24.91	+ 0.17m
Ad-financed free accounts (prev. year as of Dec. 31, 2019)	37.59	38.44	+ 0.85m
Revenues	1,276.5	1,329.4	+ 4.1%
EBITDA	299.7	300.8	+ 0.4%
Net debt (prev. year as of Dec. 31, 2019)	1,620.8	1,523.3	- 97.5m
Equity ratio (prev. year as of Dec. 31, 2019)	50.8%	52.2%	- 1.4 Ppt.
Capex	44.6	49.5	+ 11.0 %
Free cash flow*	78.6	96.3	+ 22.5 %

* Free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from the disposal of intangible assets and property, plant and equipment. Free cash flow increased from € 101.4 million to € 117.1. With the initial application of the accounting standard IFRS 16, the redemption share of lease liabilities is disclosed in cash flow from financing activities as of fiscal year 2019. Less the cash flow item "Repayment of finance lease liabilities and rights of use" the free cash flow rose from € 78.6 million to € 96.3 million as shown above.

OUTLOOK 2020

OUTLOOK 2020

Full-year guidance 2020 confirmed

- Revenues and EBITDA at previous year's level
- This forecast is still subject to uncertainties, due to the effects of the corona crisis. Against this backdrop United Internet will concretize the aforementioned forecast with the half year report 2020

UNITED INTERNET AG

**Our success story
continues!**

