UNITED INTERNET AG

Analyst and Investor Call

Presentation – Q1 2018

Montabaur,

May 9, 2018

AGENDA

- Company Development and Results Q1 2018
- Outlook 2018

COMPANY DEVELOPMENT AND RESULTS Q1 2018

HIGHLIGHTS OF THE FIRST QUARTER 2018

- First steps of smartphone initiative well perceived

  (+270k net adds in Q1 2018 in Access – in-line with 1.2m new subs for FY2018e)

- Revenue & EBITDA Q1 2018 on track with FY2018 guidance

KPIs Q1 2018 (AS REPORTED)

- 22.94 million customer contracts: + 0.3 million

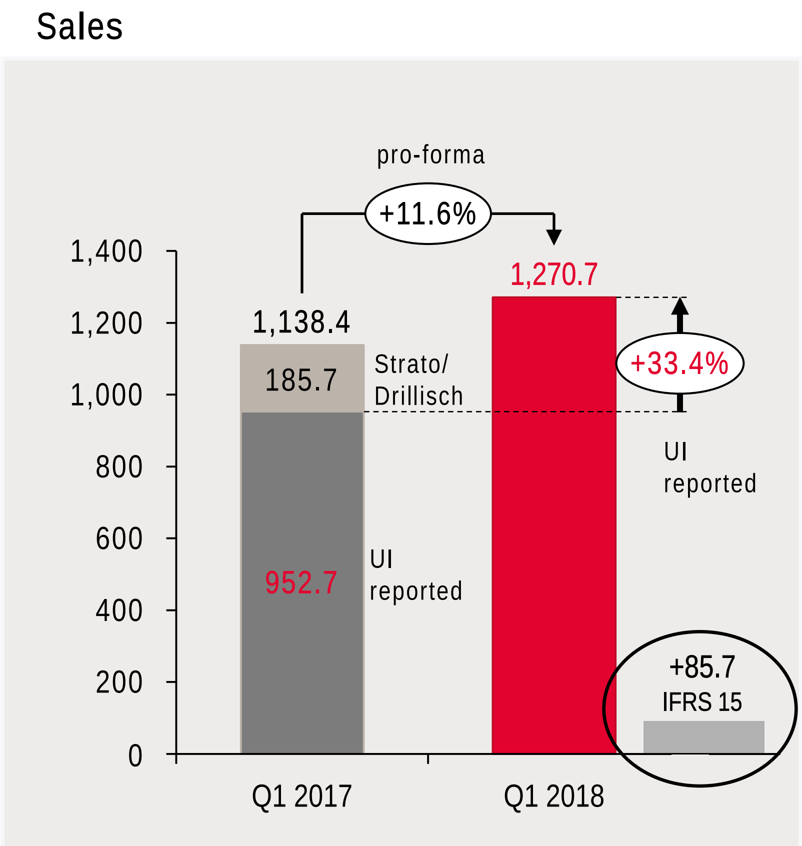
Sales and earnings figures**	(IAS 18) Q1 2017	(IFRS 15) Q1 2018	Change
Sales	952.7	1,270.7	+ 33.4 %
EBITDA	213.0	278.3	+ 30.7 %
EBIT	165.9	182.9	+ 10.2 %
EPS, operative before PPA / Impairment***	0.59	0.55	- 6.8 %
EPS	0.55	0.42	- 23.6 %

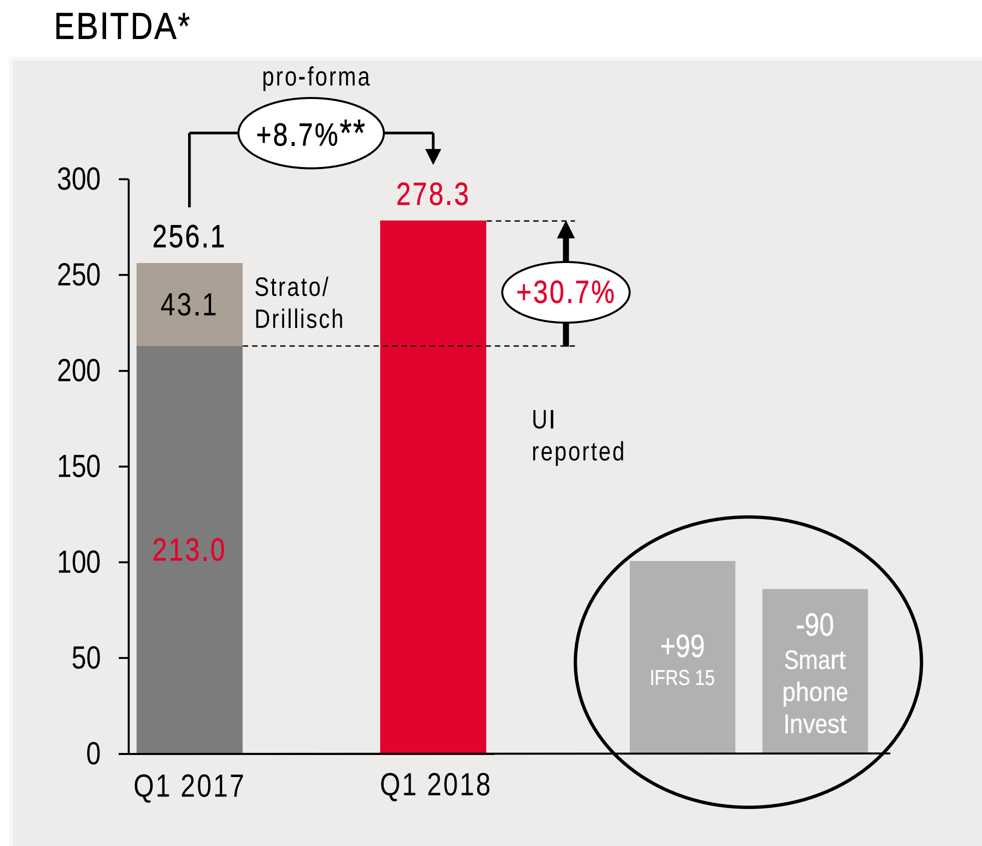
- Sales increase by 33.4% to € 1,270.7m (prev. year: € 952,7m or € 1,138.4m pro forma*)
- EBITDA growth by 30.7% to € 278.3m (prev. year: € 213.0m or € 256.0m pro forma*)
- Positive conversion effects from IFRS 15 of € 98.7m, thereof approx. € 90m in Access offset by additional smartphone investments as expected
- Guidance FY 2018 confirmed

* Incl. Strato and Drillisch
** Incl. one-offs for onging integration projects (Q1 2018: EBITDA and EBIT effect: € -8.1m)
*** Impairment of shares in Rocket Internet

PRO-FORMA GROWTH Q1 2018

(in million)





- Strongest IFRS 15 effect in Q1 2018, increasing paybacks from new customer contracts in the upcoming quarters
- IFRS 15 impact of € 98.7m, thereof approx. € 90m in Access, offset by additional smartphone investments as expected

* Incl. one-offs for onging integration projects (EBITDA and EBIT effect: € -8.1m)

** w/o consideration of the one-offs EBITDA growth amounted to 34.5% or 11.8% pro-forma

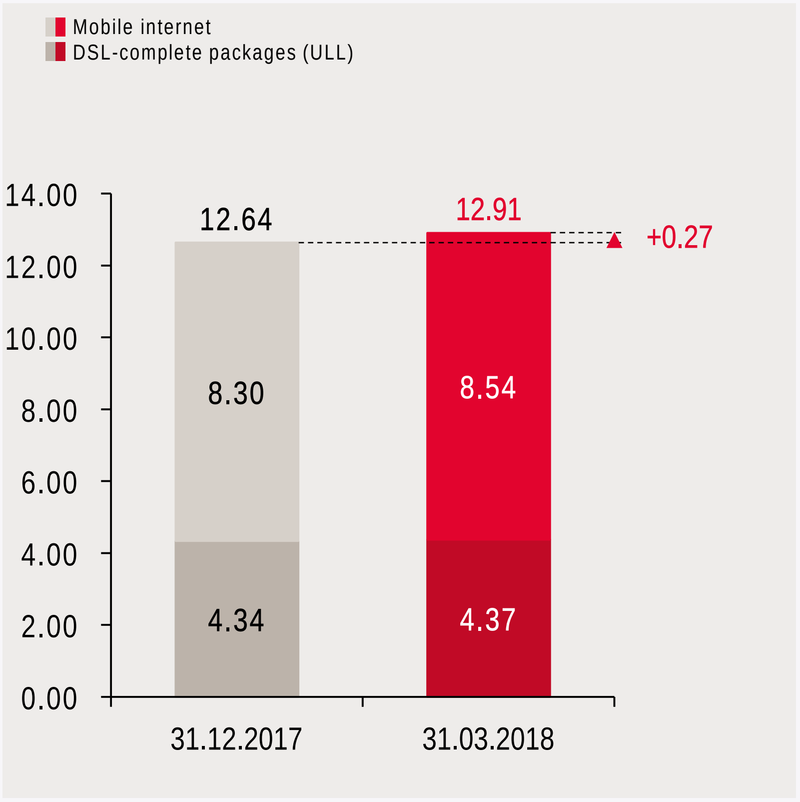
„ACCESS“ IN Q1 2018

- BUSINESS ACCESS
- CONSUMER ACCESS

- BUSINESS APPLICATIONS
- CONSUMER APPLICATIONS

CONSUMER ACCESS: CUSTOMER CONTRACTS

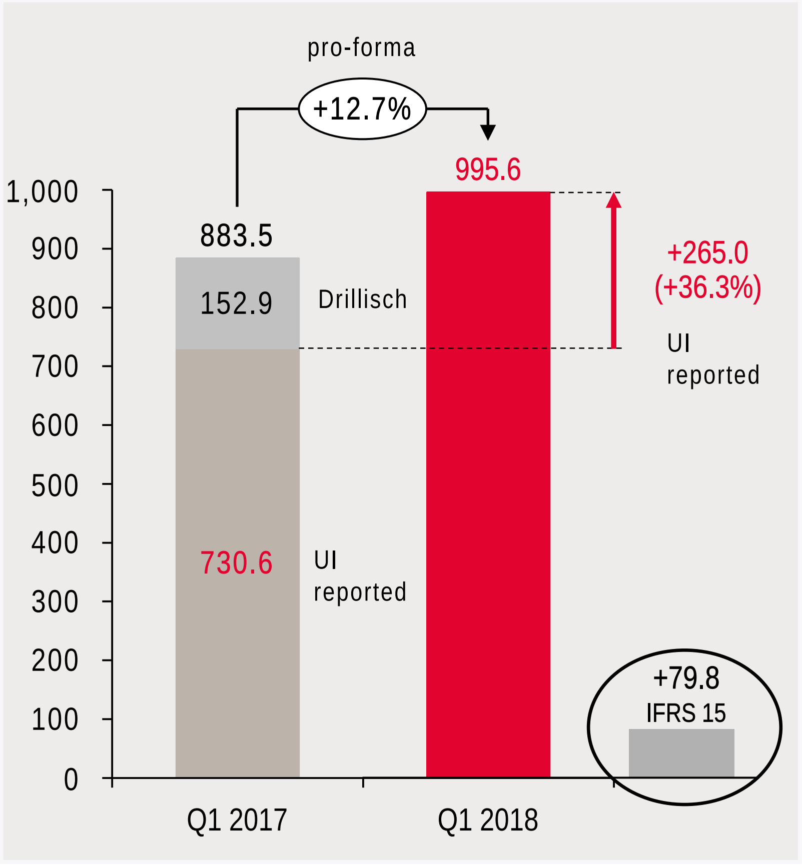
(in million)



- 12.91 million customer contracts with monthly basic fees in current product-lines (+ 270,000),
  - 8.54 million mobile internet contracts (+ 240,000)
  - 4.37 million DSL-complete packages (+ 30,000)

ACCESS: SALES

(in € million)

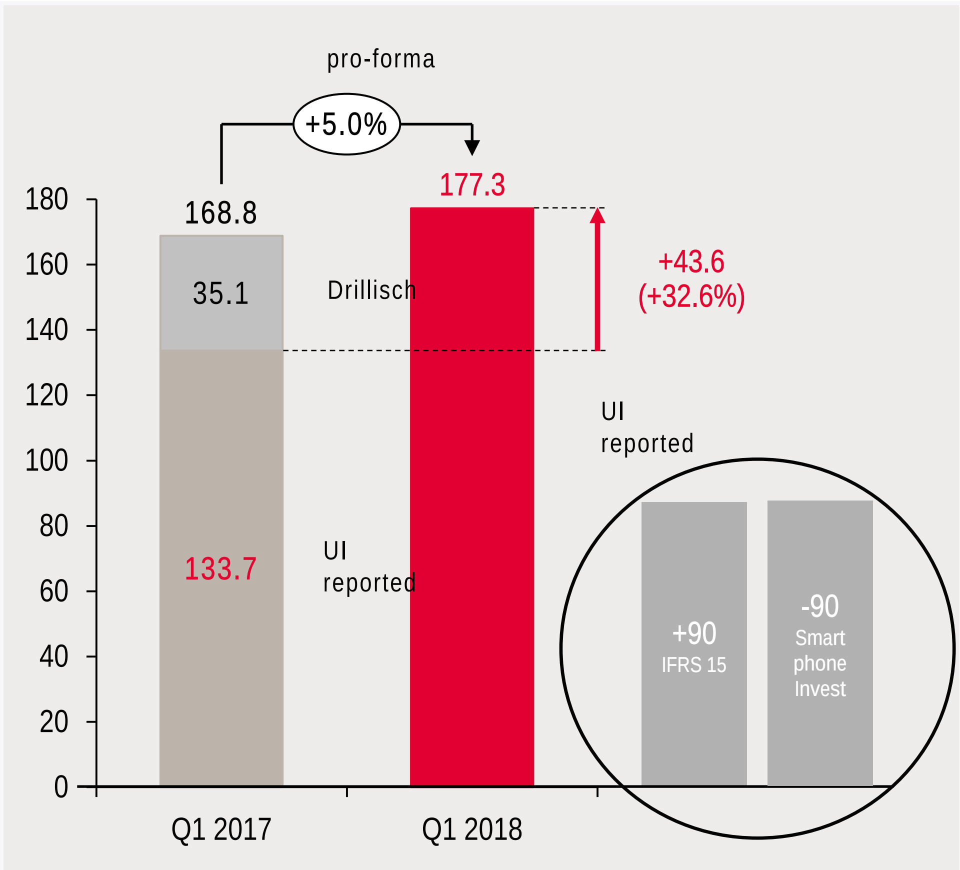


- € 995.6 million sales* (+ 36.3 %)
  - Consumer: € 898.3 million (+ 39.7 %)
  - Business: € 110.1 million (+ 20.6 %)
- Pro-forma Q1 2017 (incl. Drillisch): € 883.5m (+12.7 %)
- IFRS 15 effect: € 79.8m

* Consumer and Business sales adjusted for 1&1 Versatel mass market

ACCESS: EBITDA

(in € million)

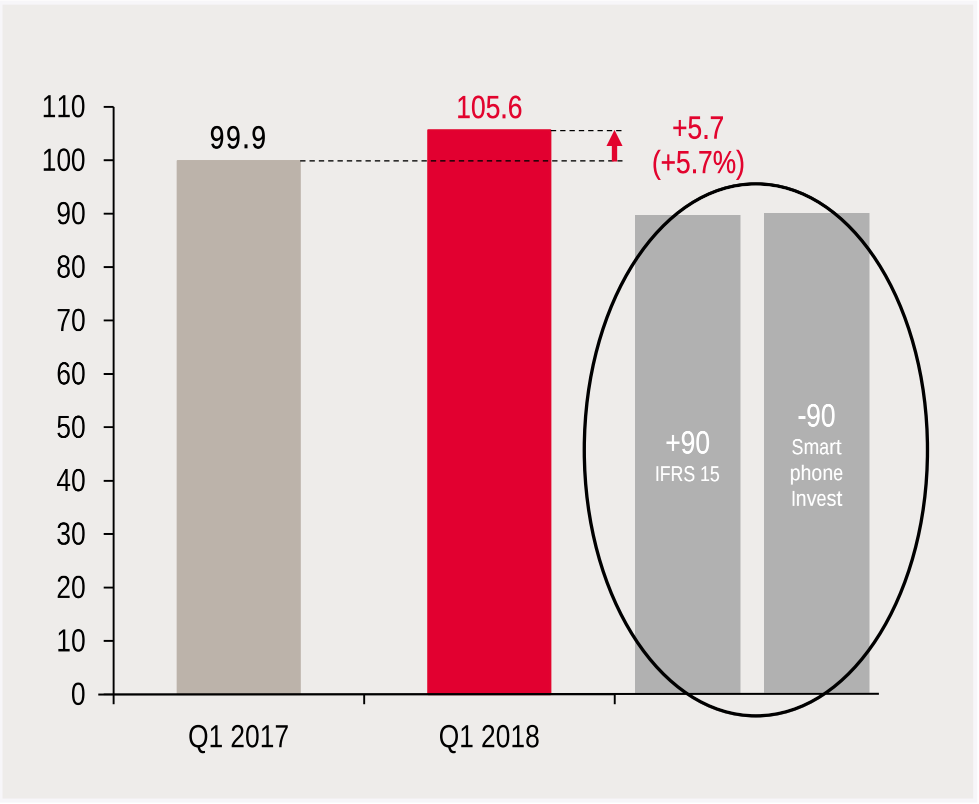


- € 177.3 million EBITDA* (+ 32.6 %),
  - Consumer: € 165.3 million (+ 34.7 %)
  - Business: € 12.1 million (+ 10.0 %)
- Pro-forma Q1 2017 (incl. Drillisch): € 168.8m (+ 5.0 %)
- IFRS 15 effect: € 90.4m, which is offset by additional smartphone investments as expected

* Incl. one-offs for onging integration projects (EBITDA and EBIT effect: € -5.0m), Consumer and Business sales adjusted for 1&1 Versatel mass market

ACCESS: EBIT

(in € million)



- € 105.6 million* EBIT (+ 5.7 %),
- IFRS 15 effect: € 90.4m, which is offset by additional smartphone investments as expected

* Incl. one-offs for onging integration projects (EBITDA and EBIT effect: € -5.0m)

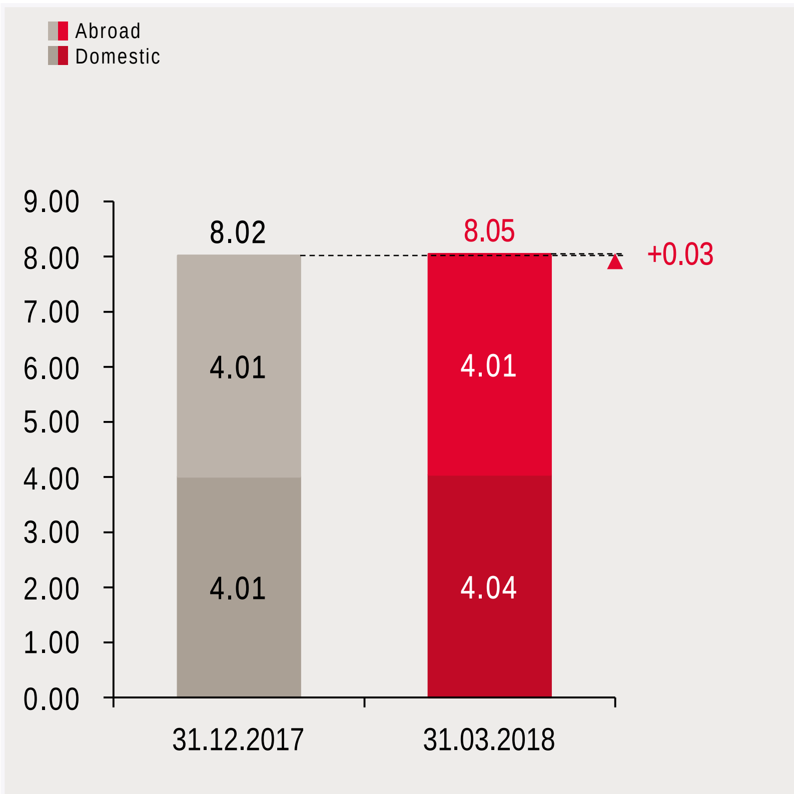
„APPLICATIONS“ IN Q1 2018

- BUSINESS ACCESS
- CONSUMER ACCESS

- BUSINESS APPLICATIONS
- CONSUMER APPLICATIONS

BUSINESS APPLICATIONS: CUSTOMER CONTRACTS

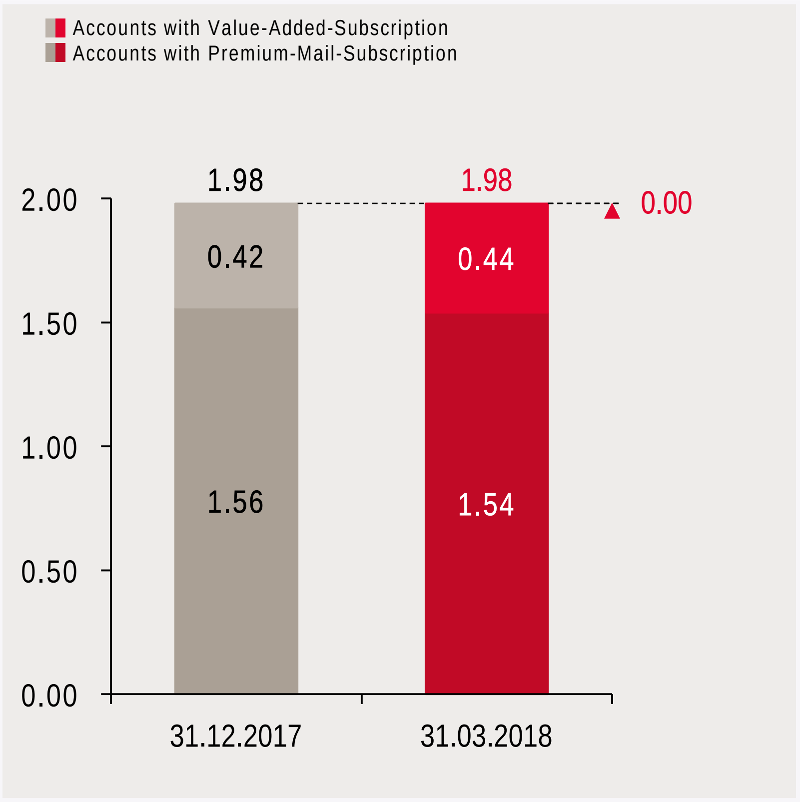
(in million)



- 8.05 million customer contracts (+ 30,000),
  - 4.04 million domestic
  - 4.01 million abroad

CONSUMER APPLICATIONS: CUSTOMER CONTRACTS

(in million)

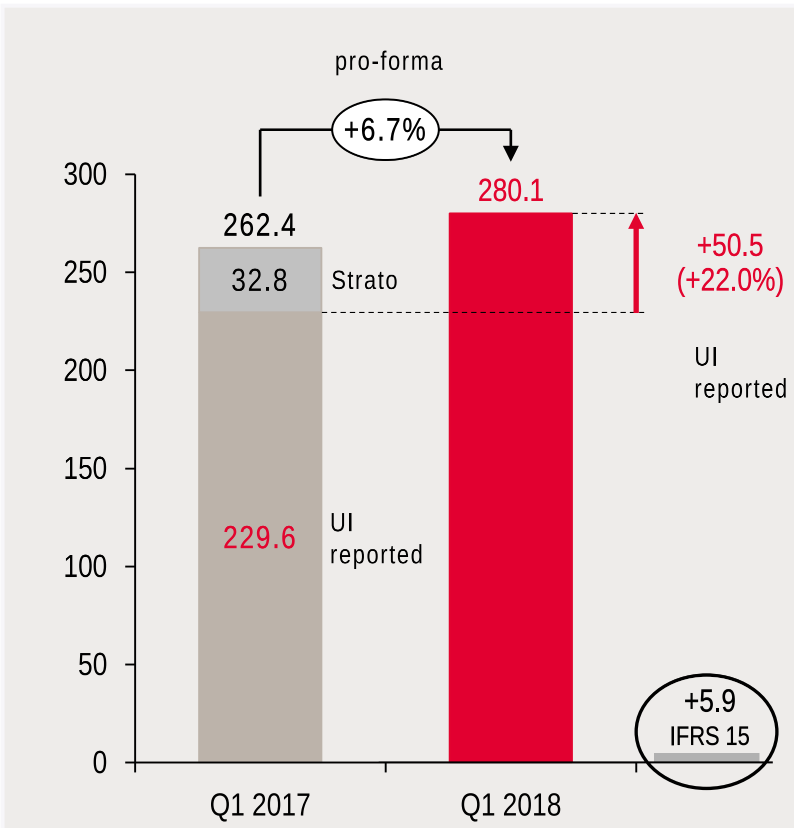


- 1.98 million pay products
- 36.27 million free accounts (+ 600,000)*, thereof
  - 21.3 million with mobile usage (+ 940,000)
  - 18.0 million with cloud storage

* After reclassification of 250,000 customer relationships (110,000 accounts with Premium-Mail-Subscription and 140,000 accounts with Value-Added-Subscription) from the fee based customers to the free accounts; prior year adjusted

APPLICATIONS: SALES

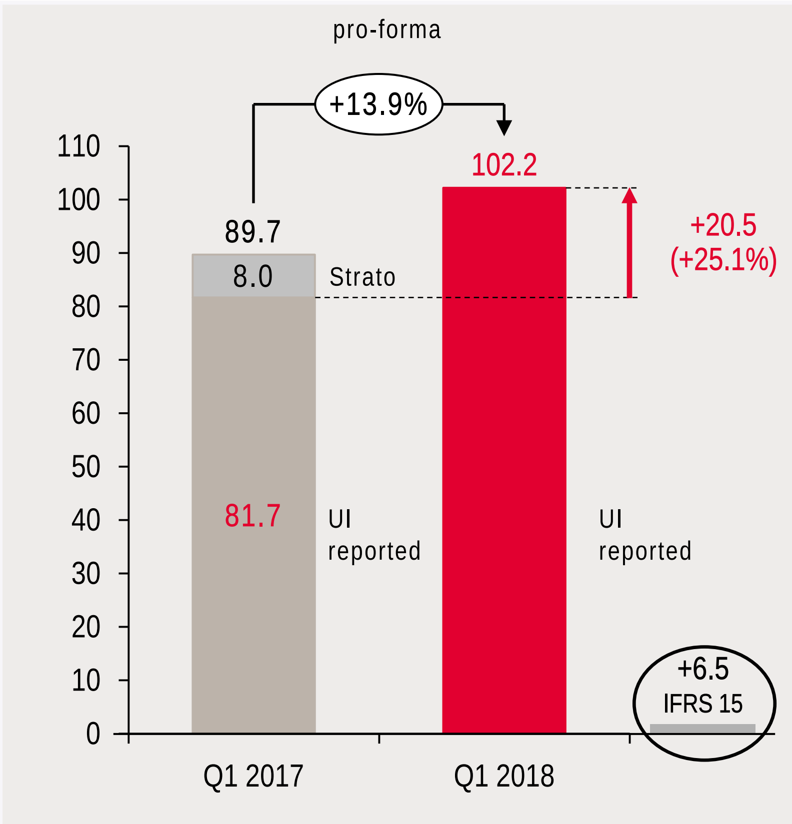
(in € million)



- € 280.1 million sales (+ 22.0 %),
  - Consumer: € 72.0 million (+ 8.9 %)
  - Business: € 209.4 million (+ 27.3 %)
- Pro-forma Q1 2017 (incl. Strato): € 262.4m, (+ 6.7%)
- IFRS 15 effect: € 5.9m

APPLICATIONS: EBITDA

(in € million)



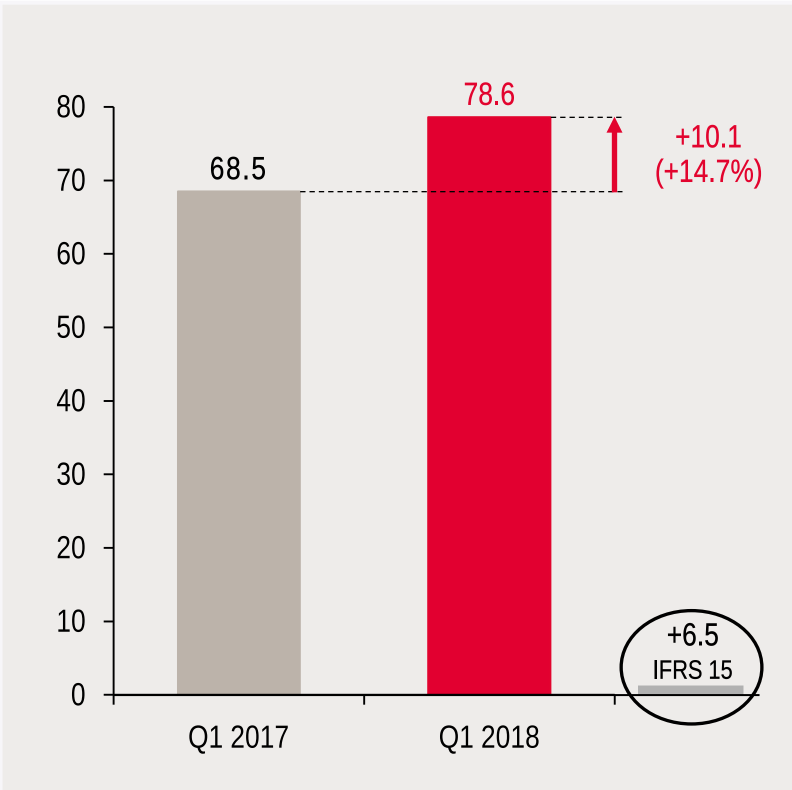
- € 102.2 million EBITDA* (+ 25.1 %)
  - Consumer: € 27.5 million (- 4.8 %)

  → Incl. 1.2m set-up costs for log-in alliance
  - Business: € 74.7 million (+ 41.3 %)
  - 36.5 % EBITDA-margin (prev. year: 35.6 %)
- Pro-forma Q1 2017 (incl. Strato): € 89.7m, (+ 13.9%)
- IFRS 15 effect: € 6.5m

* Incl. one-offs for onging integration projects (EBITDA and EBIT effect: € -3.1m)

APPLICATIONS: EBIT

(in € million)



- € 78.6 million EBIT* (+ 14.7 %)
- IFRS 15 effect: € 6.5m

* Incl. one-offs for onging integration projects (EBITDA and EBIT effect: € -3.1m)

CASH FLOW OVERVIEW Q1 2018

(in €k)

	31.03.2017	31.03.2018	Comments
Operative cash flow	157,469	205,833	▪ Business expansion
Cash flow from operating activities	113,371	51,702	▪ Decrease due to higher inventories and seasonal payments related to Layer2
Cash flow from investing activities	- 75,224	- 60,306	▪ Capex: €53.8m (prior year: €41.9m);
Free cash flow*	73,214	530	▪ Decrease due to higher inventories and seasonal payments related to Layer2 (in total approx. > € 80m), already taking into account the enlarged smartphone sales

* 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

OUTLOOK 2018

ROADMAP 2018

Access

Business
- Further expansion of the fiber optic network
  – organically and through acquisitions
- Development of BNGs for VDSL/Vectoring based on Layer-2 (Target 2018: approx. 500 of 897 BNGs)

Consumer
- Consistent management team
- Merger of previously separated organizations
- Streamlining of the brand portfolio
- Expansion of marketing to existing customers
- Improved retention process for discount brands
- Approx. 1.2 million new DSL and mobile internet contracts
  – Increase of the marketing budget
  – Additional smartphone investments

Applications

Business
- Technical projects for platform integration
- Rebranding of 1&1 Hosting division

Consumer
- Reduction of advertising space at GMX and WEB.DE
- Expansion of data-driven business models for better monetization of advertising space
- Start of net-ID, the Log-in-Allianz with RTL, Pro7Sat1and Zalando
  – Creation of Europe's largest big data platform with over 40 million user profiles
  – Open for other companies
  – Complete data sovereignty for the user

GUIDANCE 2018

- Sales increase to approx. € 5.2 billion
  - Strong contract growth
  - Consolidation of Strato / ProfitBricks and 1&1 Drillisch for a full year
  - Increased use of subsidized smartphones in connection with the earlier realization of hardware sales in accordance with IFRS 15 (sales effect: approx. € 200 million)
- EBITDA increase to approx. € 1.2 billion, therein included
  - approx. - € 300 million additional smartphone investment (return via higher tariff prices)
  - approx. + € 300 million from accounting in accordance with IFRS 15
  - approx. - € 30 million increased marketing budget at Consumer Access
  - approx. - € 20 million adjusted monetarization of advertising at Consumer Applications
  - approx. + € 50 million synergies from the merger with Drillisch
  - Moreover included,

    approx. - € 50 million one-offs for integration projects at Consumer Access and Business Applications

- Guidance for FY 2018 confirmed

UNITED INTERNET AG

Our success story continues!