

UNITED INTERNET AG

Analyst and investor

Webcast – Q1-Results 2019

Montabaur,
May 15, 2019



KPIs Q1 2019

- 24.06 million customer contracts: + 0.21 million in the first 3 months 2019

Revenues and earnings figures (in € million)	(IFRS 15) Q1 2018	(IFRS 16) Q1 2019	Change
Revenues	1,270.7	1,286.1	+ 1.2%
EBITDA	278.3	299.7	+ 7.7%
EBIT	182.9	181.1	- 1.0%
EPS (in €)	0.42	0.24	- 47.8%
EPS (in €), operative before impairments ⁽¹⁾	0.42	0.46	+ 9.5%

- EBITDA IFRS 16 impact of € + 22.8 million
- Tele Columbus impairment charges of € - 43.1 million (EPS effect of € - 0.22)
- Full-year guidance 2019 confirmed

⁽¹⁾ EPS for the first 3 months 2019 without Tele Columbus impairment (€ - 0.22)

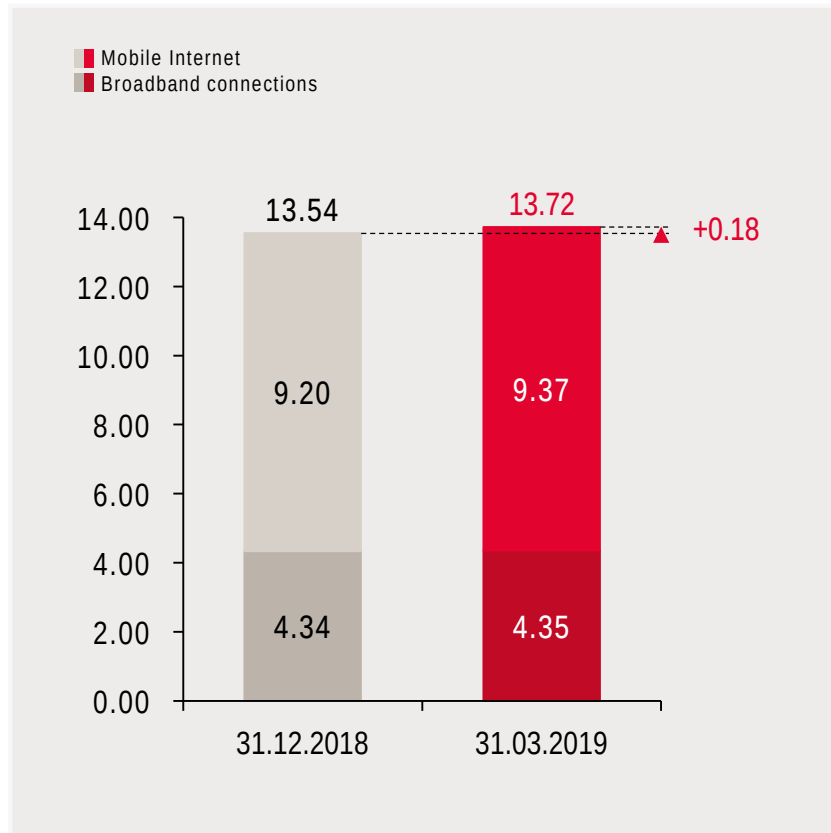
“ACCESS” IN Q1 2019

- CONSUMER ACCESS
- BUSINESS ACCESS

- BUSINESS APPLICATIONS
- CONSUMER APPLICATIONS

CONSUMER ACCESS SEGMENT: CUSTOMER CONTRACTS

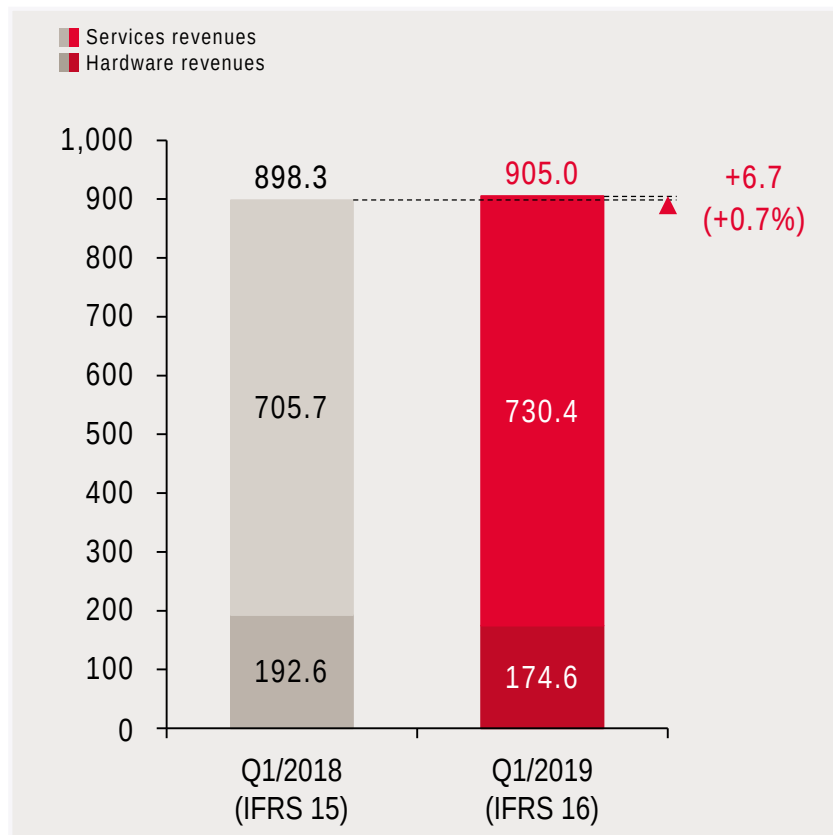
(in million)



- 13.72 million customer contracts (+ 180,000)
 - 9.37 million mobile internet contracts (+ 170,000)
 - 4.35 million broadband connections
ADSL / VDSL / FTTH (+ 10,000)

CONSUMER ACCESS SEGMENT: REVENUES

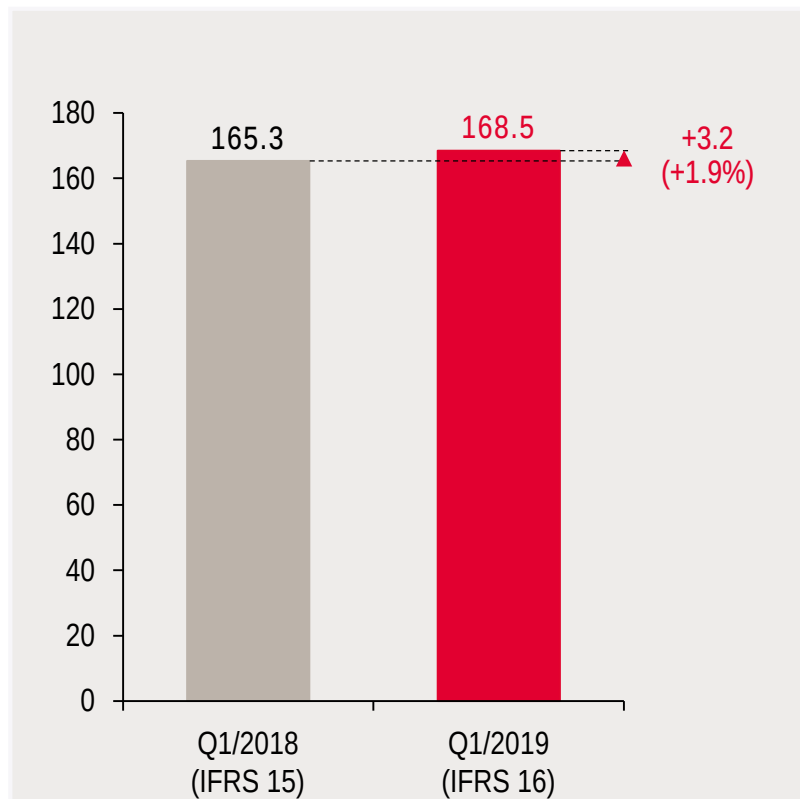
(acc. to IFRS in € million)



- Revenues: € 905.0 million (+ 0.7%)
 - Service revenues increased by 3.5% to € 730.4 million as expected
 - Hardware revenues (€ - 18.0 million) fluctuating during the year (low-margin)
- ➔ +4.8% service revenues (adj.), w/o the effect of the changed capacity split with focus on mobile contracts based on Telefónica network

CONSUMER ACCESS SEGMENT: EBITDA

(acc. to IFRS in € million)

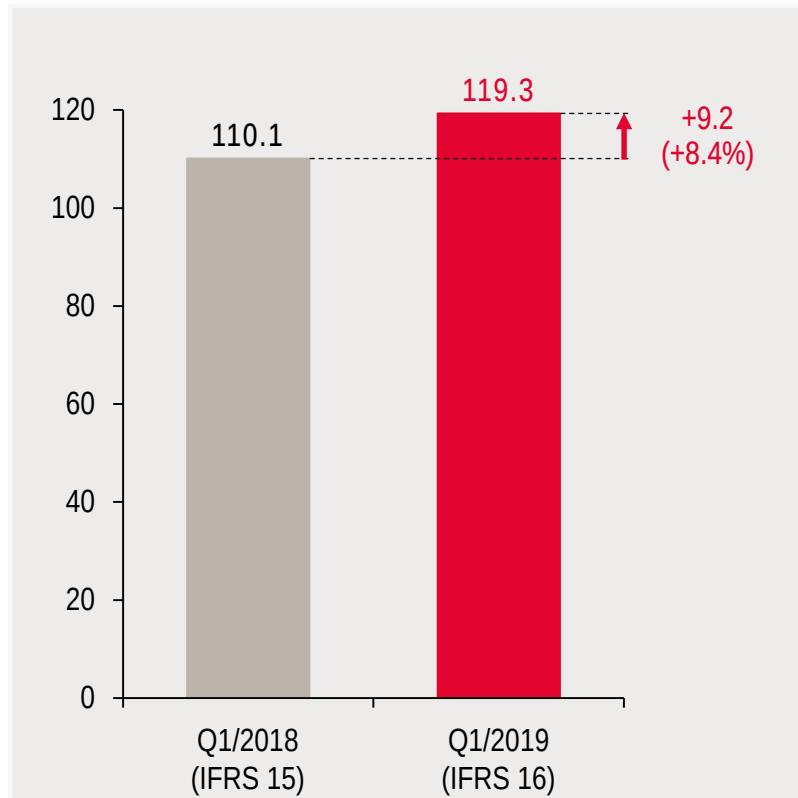


- EBITDA: 168.5 million (+ 1.9%)
 - € 2.1 million one-offs from Drillisch integration (prior year: € 5.0 million)
 - € 17.5 million additional costs from a time-limited adjustment mechanism of a wholesale contract expired at the end of 2018*
 - € 0.9 million IFRS 16 effect
- 18.6% EBITDA margin (prior year: 18.4%)
- ➔ +9.9% EBITDA (adj.), w/o effects from IFRS 16, additional costs from purchase of wholesale services* and one-offs from Drillisch integration

* Including preliminary additional costs of EUR -17.5 million after a time-limited adjustment mechanism of a wholesale contract expired at the end of 2018. Contrary to original expectations, no decision has yet been taken regarding a replacement or compensation for the expired arrangement. However, the corresponding wholesale prices are currently the subject of arbitration proceedings, in the course of which there will be a binding decision on the type and amount of a permanent price adjustment within a few months of the end of the 5G spectrum auction. United Internet expects this expert decision to result in lower wholesale prices with a retrospective effect.

BUSINESS ACCESS SEGMENT: REVENUES

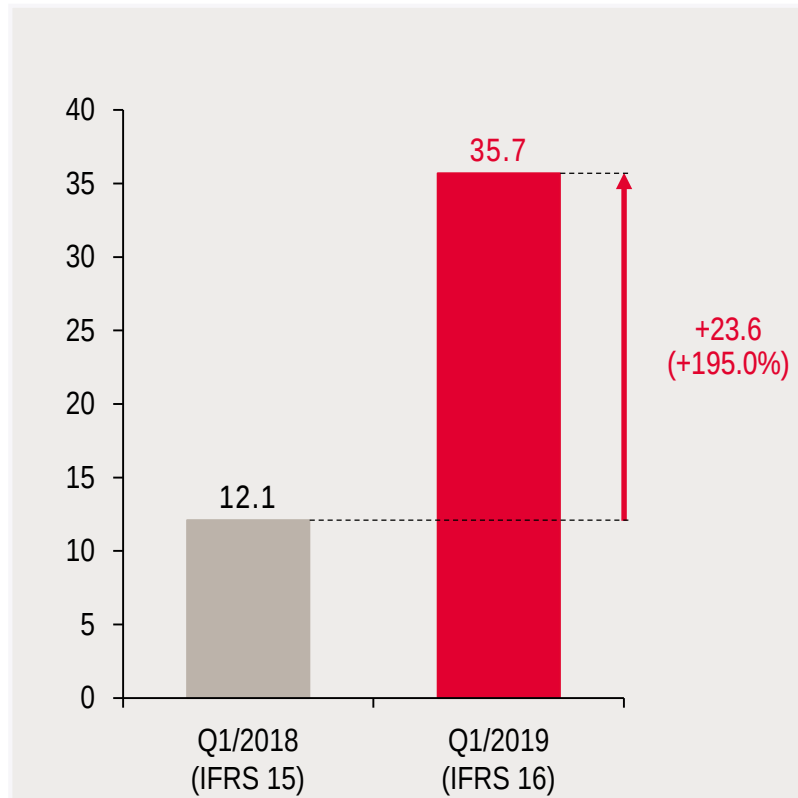
(acc. to IFRS in € million)



- Revenues: € 119.3 million (+ 8.4%)
 - positive development of the core business areas B2B & Wholesale
 - successful ongoing Layer2 migration

BUSINESS ACCESS SEGMENT: EBITDA

(acc. to IFRS in € million)



■ EBITDA: € 35.7 million (+195.0%)

■ Positive business development

■ € 15.9 million IFRS 16 effect

■ EBITDA margin: 29.9% (prior year: 11.0%)

➔ +63.6% EBITDA (adj.), w/o effects from IFRS 16

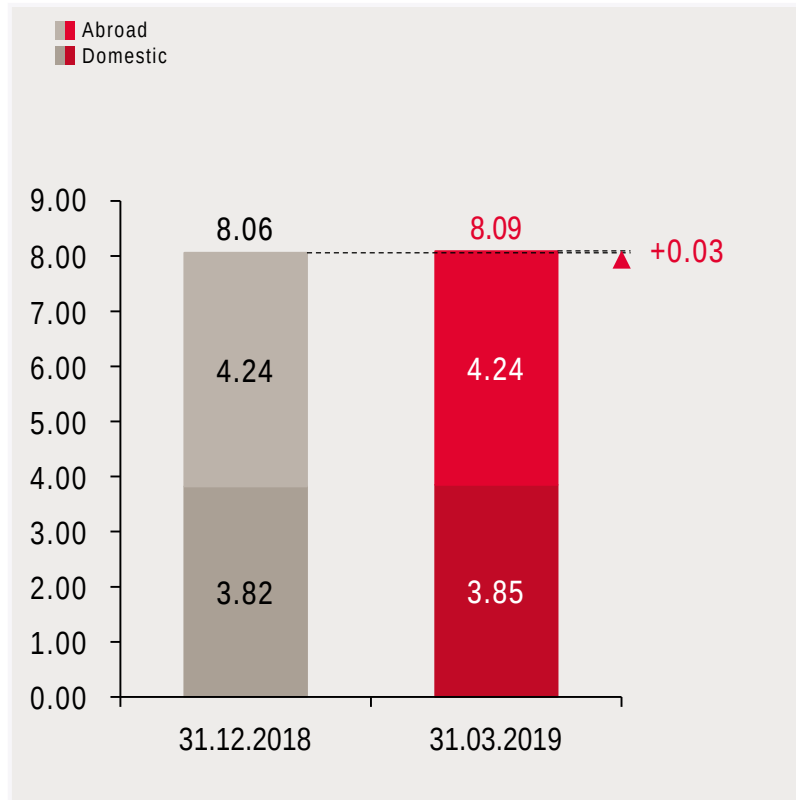
„APPLICATIONS“ IN Q1 2019

- CONSUMER ACCESS
- BUSINESS ACCESS

- BUSINESS APPLICATIONS
- CONSUMER APPLICATIONS

BUSINESS APPLICATIONS SEGMENT: CUSTOMER CONTRACTS

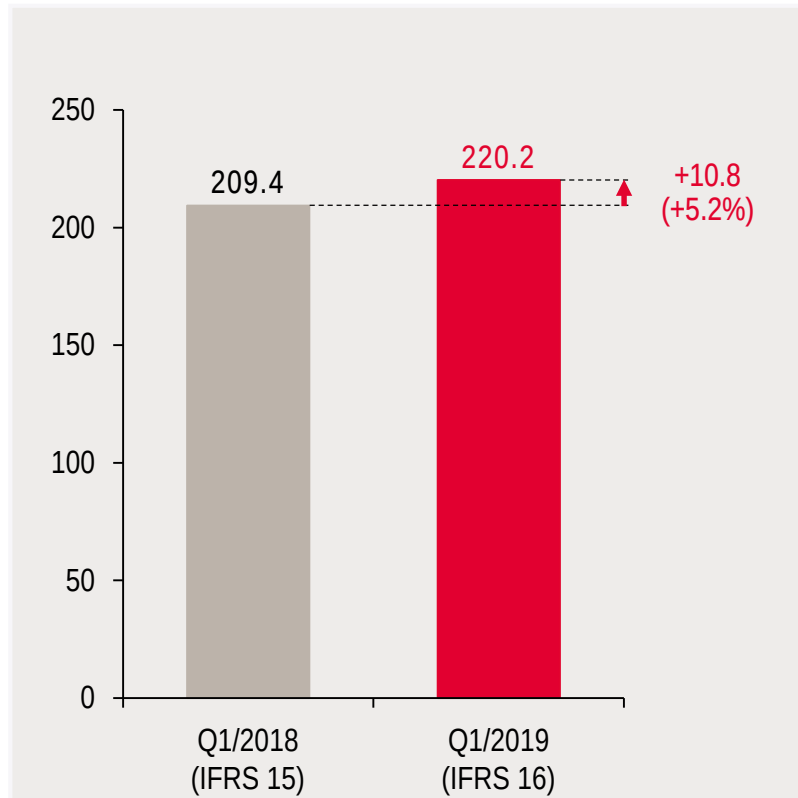
(in million)



- 8.09 million customer contracts (+ 30,000)
- 3.85 million domestic
- 4.24 million abroad

BUSINESS APPLICATIONS SEGMENT: REVENUES

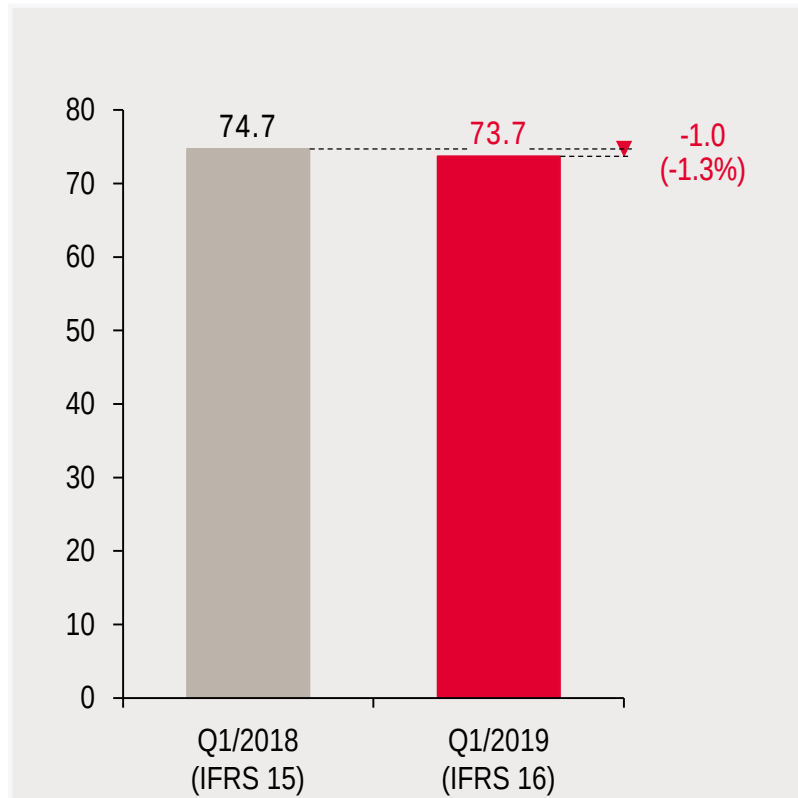
(acc. to IFRS in € million)



- Revenues: € 220.2 million (+ 5.2%)
 - driven by up/cross-selling and customer growth
 - in line with last year's like-for-like development

BUSINESS APPLICATIONS SEGMENT: EBITDA

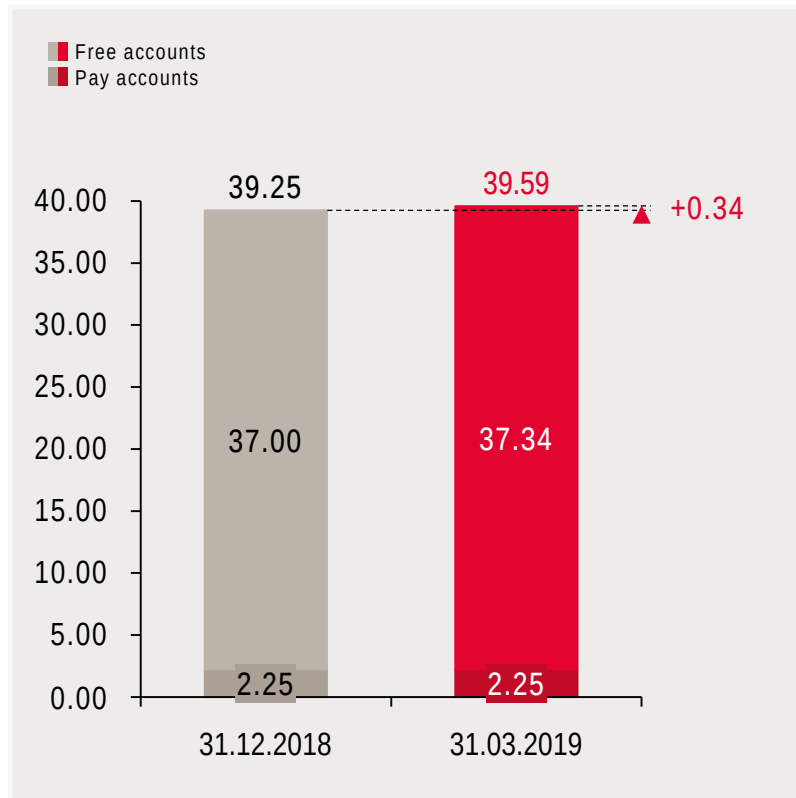
(acc. to IFRS in € million)



- EBITDA: € 73.7 million (-1.3%)
 - € - 14.6 million from increased marketing expenses, thereof € - 7.0 million one-offs in light of the rebranding
 - € 5.6 million IFRS 16 effect
 - EBITDA margin: 33.5% (prior year: 35.7%)
- ➔ +6.3% EBITDA (adj.), w/o effects from IFRS 16 and increased marketing expenses

CONSUMER APPLICATIONS SEGMENT: ACCOUNTS

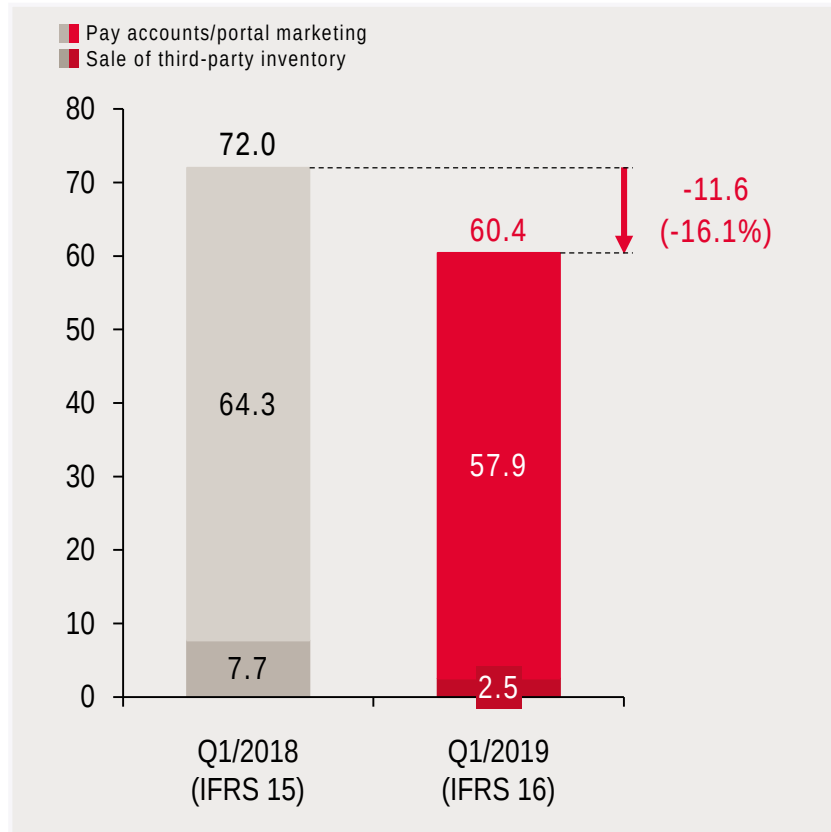
(in million)



- 39.25 million consumer accounts
 - 37.34 million free accounts (+ 340,000)
 - 2.25 million pay accounts (+/- 0)
- thereof 23.0 million with mobile usage (+ 1,700,000)
- thereof 18.6 million with cloud storage (+ 600,000)

CONSUMER APPLICATIONS SEGMENT: REVENUES

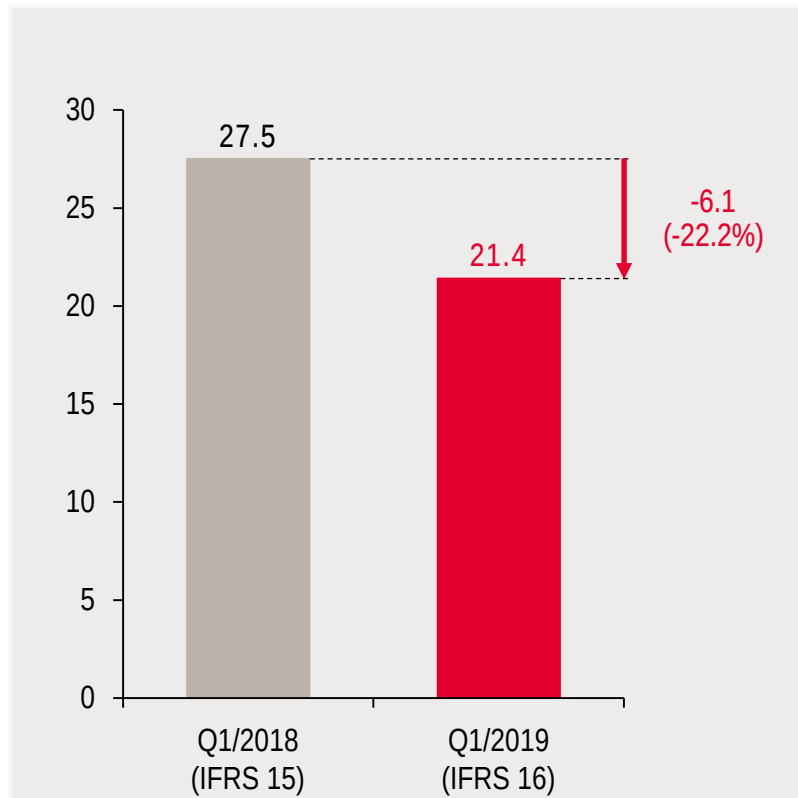
(acc. to IFRS in € million)



- Revenues: 60.4 million (-16.1%)
- Planned reduction of advertising space as part of the transition to data-driven business models (revenue effect: € - 5.1 million), which did not affect sales in Q1/2018
- Sale of third-party inventory: € 2.5 million (-67.5%), lower margin business
- ➔ -1.8% revenues (adj.), w/o effects from reduction of advertising space and sale of third party inventory

CONSUMER APPLICATIONS SEGMENT: EBITDA

(acc. to IFRS in € million)



- EBITDA: € 21.4 million (- 22.2%)
 - Planned reduction of advertising space as part of the transition to data-driven business models (EBITDA effect: € - 4.1 million), which did not affect earnings in Q1/2018
 - € 0.1 million IFRS 16 effect
 - EBITDA margin: 35.4% (Prior year: 38.2%)
- ➔ -7.6% EBITDA (adj.), w/o effects from IFRS 16 and reduction of advertising space

KEY FINANCIAL KPIs AS OF 31 MARCH 2019

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

	Q1/Dec.31, 2018 (IFRS 15)	Q1 2019 (IFRS 16)	Change
Fee-based customer contracts	23.85	24.06	+ 0.21m
Ad-financed free accounts	37.00	37.34	+0.34m
Revenues	1,270.7	1,286.1	+ 1.2%
EBITDA	278.3	299.7	+ 7.7%
Net debt (prev. year as of Dec. 31, 2018)	1,881.1	1,807.5	- 73.6m
Equity ratio (prev. year as of Dec. 31, 2018)	55.3%	54.7%	- 0.6 Ppt.
Capex	53.8	44.6	- 17.1 %
Free cash flow*	0.5	101.4	-

* 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 2019

OUTLOOK 2019

Full-year guidance 2019 confirmed

- Revenues: + approx. 4%
- EBITDA: + approx. 8% respectively
+ approx. 12% incl. IFRS 16 effects

One-offs included in EBITDA:

approx. € 30 million for integration projects in Consumer Access and Business Applications

UNITED INTERNET AG

Our success story
continues!

