

PRESS RELEASE

United Internet with successful first half-year 2020

- Customer contracts exceed 25 million for the first time
- Sales: + 4.0% to EUR 2.658 billion despite pandemic effects;
like-for-like sales: + 4.2%
- EBITDA: - 1.5% to EUR 620.5 million;
like-for-like EBITDA: + 6.3%
- EBIT: -1.4% to EUR 385.4 million;
like-for-like EBIT: + 11.4%

Montabaur, August 13, 2020. United Internet can look back on a successful first six months of 2020, despite an adverse macroeconomic environment. The company invested heavily in new customer contracts and the expansion of existing customer relationships, and thus in sustainable growth. As a result, the total number of fee-based customer contracts grew organically by 460,000 to 25.20 million contracts. Of this total, 240,000 contracts were added in the Consumer Access segment and there was growth of 170,000 contracts in the Business Applications segment. A further 50,000 pay accounts and 920,000 ad-financed free accounts were gained in the Consumer Applications segment.

Consolidated sales grew by 4.0% in the first half of 2020, from EUR 2,556.5 million in the previous year to EUR 2,657.9 million. This growth was achieved in spite of the effects on business from the coronavirus pandemic. These effects had a negative impact on the Consumer Access and Consumer Applications segments in particular. There were opposing positive effects in the Business Access segment. Adjusted for pandemic effects, like-for-like sales rose by 4.2%.

At EUR 620.5 million, consolidated EBITDA in the first half of 2020 was just 1.5% below the prior-year figure of EUR 630.0 million. Adjusted for extraordinary income from the sale of shares in virtual minds included in the previous year amounting to EUR 21.5 million, EBITDA rose by 2.0%. This at first glance merely moderate increase was due in particular to initial costs for the construction of the company's own 5G mobile communications network as well as negative effects from regulatory decisions in the Consumer Access segment. In addition to these expected negative effects, the coronavirus pandemic also burdened consolidated earnings in the first half of 2020. Adjusted for extraordinary income in the previous year and the aforementioned negative effects, like-for-like EBITDA rose by 6.3%.

Consolidated EBIT of EUR 385.4 million was also influenced by these negative effects and was similarly just 1.4% below the prior-year figure (EUR 390.8 million including the aforementioned extraordinary income). Adjusted for extraordinary income in the previous year and the above mentioned effects, like-for-like EBIT increased by 11.4%.

Earnings per share (EPS) rose from EUR 0.84 in the previous year to EUR 1.06. EPS for the first half of 2020 includes non-cash impairment reversals on shares held in Tele Columbus of

EUR +14.7 million (EPS effect: EUR +0.08) as a result of closing-date effects. The value of these shares is adjusted throughout the year in accordance with the prevailing share price. By contrast, EPS for the first half of 2019 included non-cash impairment charges on Tele Columbus shares of EUR -34.2 million (EPS effect: EUR -0.17), as well as the extraordinary income of EUR +21.5 million from the sale of shares in virtual minds (EPS effect: EUR +0.11). Adjusted for these effects, operating EPS improved by 8.9% from EUR 0.90 to EUR 0.98 and operating EPS before PPA amortization by 7.9% from EUR 1.14 to EUR 1.23.

Outlook 2020

As announced in the ad hoc disclosure on August 11, 2020, United Internet expects sales growth of approx. 4% for the full year 2020 (prior year: EUR 5,194.1 million). EBITDA is still expected to be on a par with the previous year (EUR 1,265.7 million). This guidance is subject to uncertainty, as an exact assessment of the further duration and impact of the coronavirus pandemic is not currently possible.

An overview of all key figures and the Half-year Financial Report 2020 are available online at www.united-internet.de.

About United Internet

With over 25 million fee-based customer contracts and over 38 million ad-financed free accounts, United Internet AG is a leading European internet specialist. At the heart of United Internet is a high-performance "Internet Factory" with approx. 9,450 employees, of which around 3,000 are engaged in product management, development, and data centers. In addition to the high sales strength of its established brands (such as 1&1, GMX, WEB.DE, IONOS, STRATO, 1&1 Versatel, and the brands of Drillisch Online), United Internet stands for outstanding operational excellence with around 64 million customer accounts worldwide.

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Note

In the interests of clear and transparent reporting, the annual financial statements and interim statements of United Internet AG, as well as its ad-hoc announcements pursuant to Art. 17 MAR, contain additional financial performance indicators to those required under International Financial Reporting Standards (IFRS), such as EBITDA, EBITDA margin, EBIT, EBIT margin, and free cash flow. Information on the use, definition and calculation of these performance measures is provided in the Annual Report 2019 of United Internet AG from page 49 onwards.