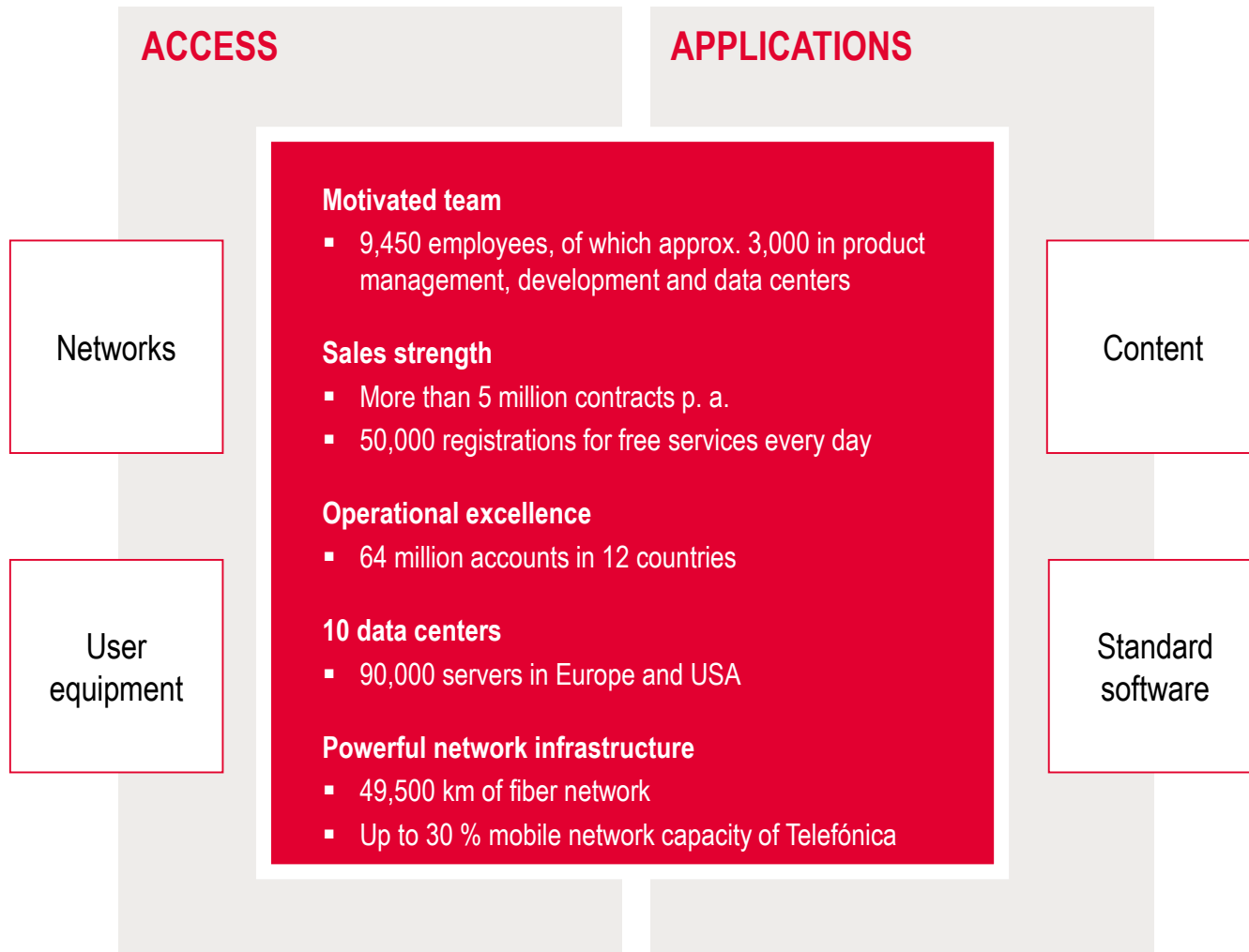


**UNITED INTERNET AG**

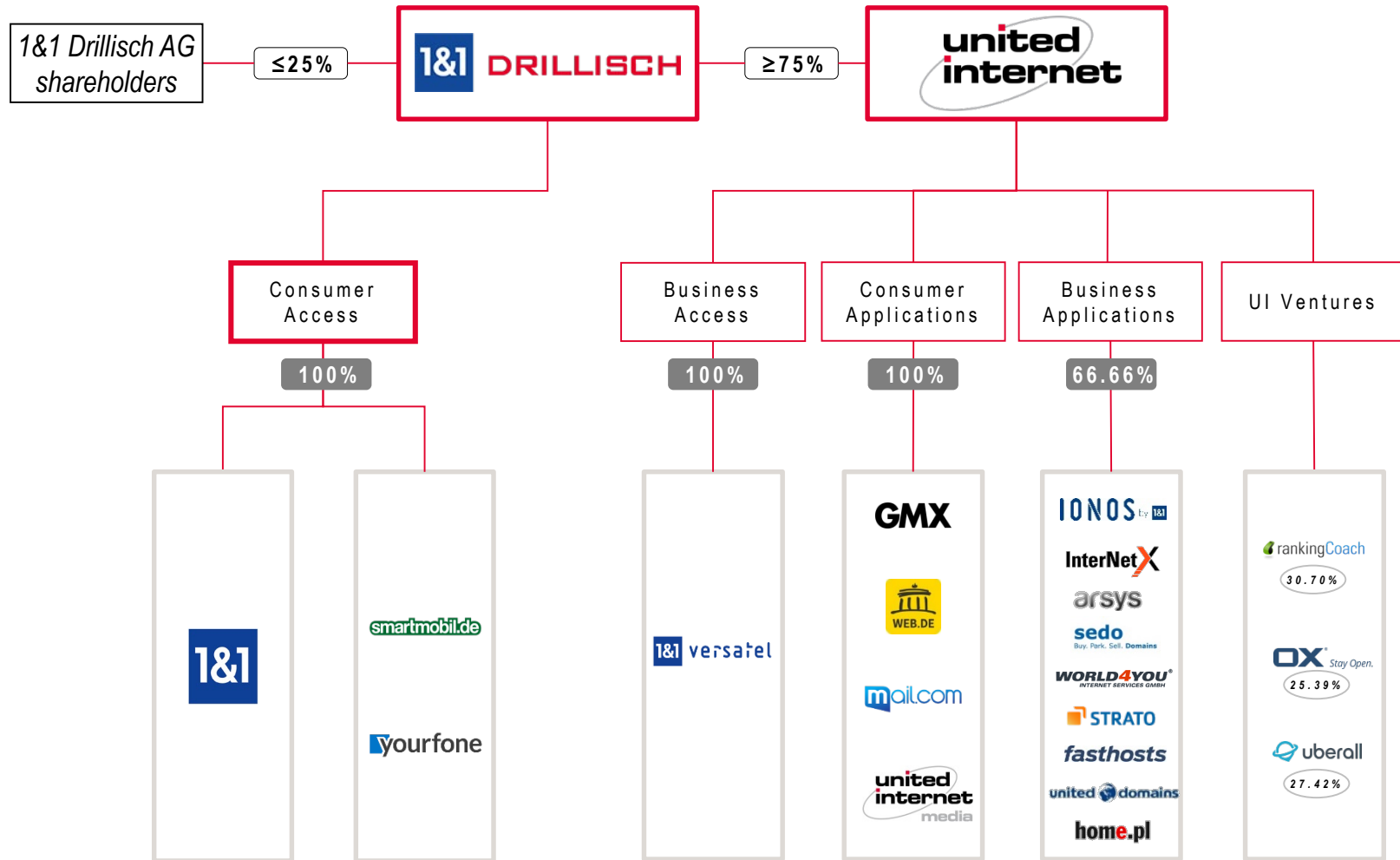
**Corporate presentation**

**September 2020**

## 2 BUSINESS AREAS: ACCESS & APPLICATIONS



# CURRENT GROUP STRUCTURE



Additional listed investment: Tele Columbus AG (29.90%)

## KPIs H1 2020

- More than 25 million customer contracts for the first time (+ 460,000 to 25.20 million contracts)

Revenues and earnings figures (in € millions)	H1 2019	H1 2020	Change
Revenues	2,556.5	2,657.9	+ 4.0 %
EBITDA	630.0	620.5	- 1.5 %
EBIT	390.8	385.4	- 1.4 %
Operative EPS* in €	0.90	0.98	+ 8.9 %
Operative EPS* before PPA in €	1.14	1.23	+ 7.9 %

- Effects on earnings in the previous period:
  - € + 21.5 million extraordinary income from the sale of virtual minds shares in H1 2019
  - € - 13.7 million from regulation of the subscriber line and EU SMS in H1 2020 (prior year: € - 1.0 million)
  - € - 5.6 million initial 5G costs in H1 2020 (prior year: € - 1.9 million)
  - € - 0.4 million integration costs in H1 2020 (prior year: € - 2.3 million)
  - € - 12.2 million profit impact due to coronavirus pandemic in H1 2020

➔ + 6.3 % comparable EBITDA

➔ + 11.4 % comparable EBIT

\* H1 2019 without sale of virtual minds (EPS effect: € + 0.11) and without impairment of Tele Columbus (EPS effect: € - 0.17); H1 2020 without reversal of Tele Columbus impairment losses (EPS effect: € + 0.08)

# “ACCESS” IN H1 2020

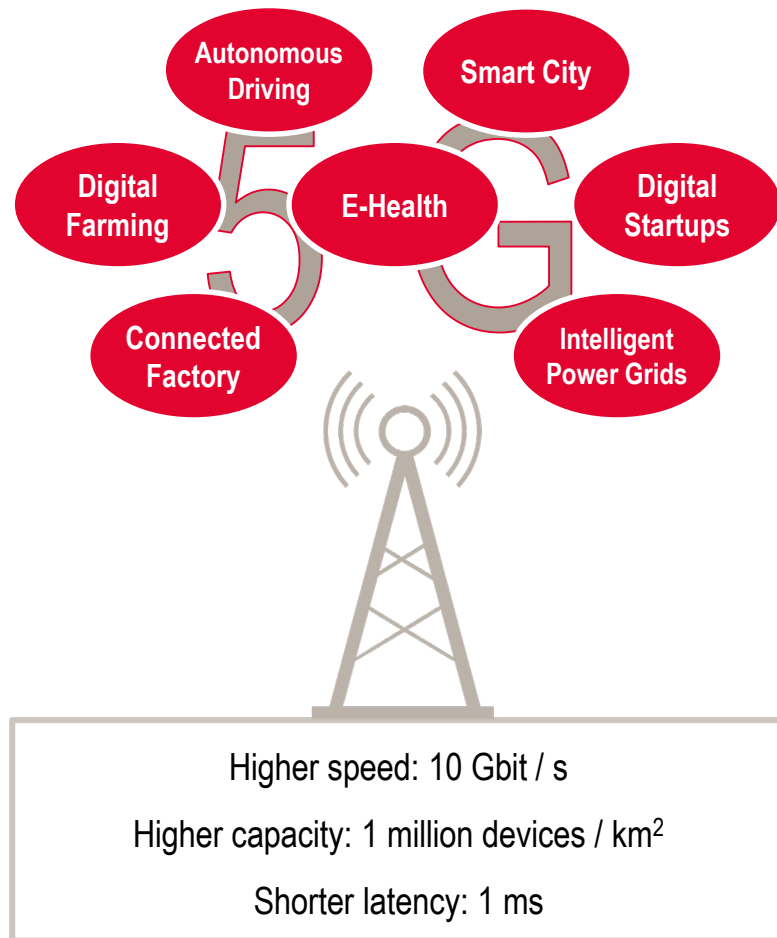
- CONSUMER ACCESS
- BUSINESS ACCESS

- BUSINESS APPLICATIONS
- CONSUMER APPLICATIONS

# “ACCESS DIVISION”: PORTFOLIO AND TARGET GROUPS

	Consumer	Business
Target countries	Germany	Germany
Target groups	Home users, freelancers, small businesses	SMBs, large corporations
Solutions	Own network and own applications in combination with standardized network solutions and third-party devices	Solutions based on our own 49,500 km fiber network
Products	<p>Fixed-line and mobile products</p>  	<p>Data and network solutions as well as infrastructure</p>   

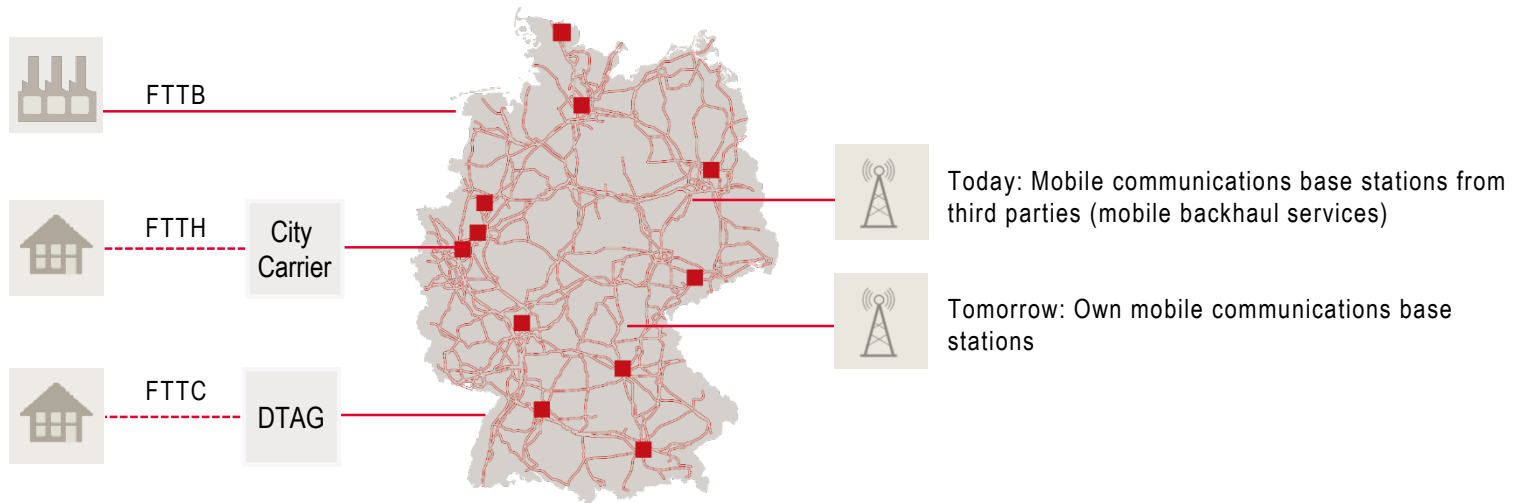
# 5G RATIONALE – 5G CONNECTS PEOPLE, APPLICATIONS AND MACHINES



- 5G is the basis for a new economic eco-system
- Networks, applications and billions of devices that are not yet internet-enabled are growing together
- In addition to telecommunications know-how, network operators increasingly require online and application know-how with 5G
- As part of the United Internet Group, 1&1 Drillisch has these skills at its disposal

# 5G RATIONALE – ADVANTAGES OF OPERATING OUR OWN 5G NETWORK

- “Tailor-made” network with highest quality
- New business fields and customer groups (B2B, FWA)
- Increased vertical integration
- Internalization of network costs (rents)
- Stronger sustainability of our mobile communications business



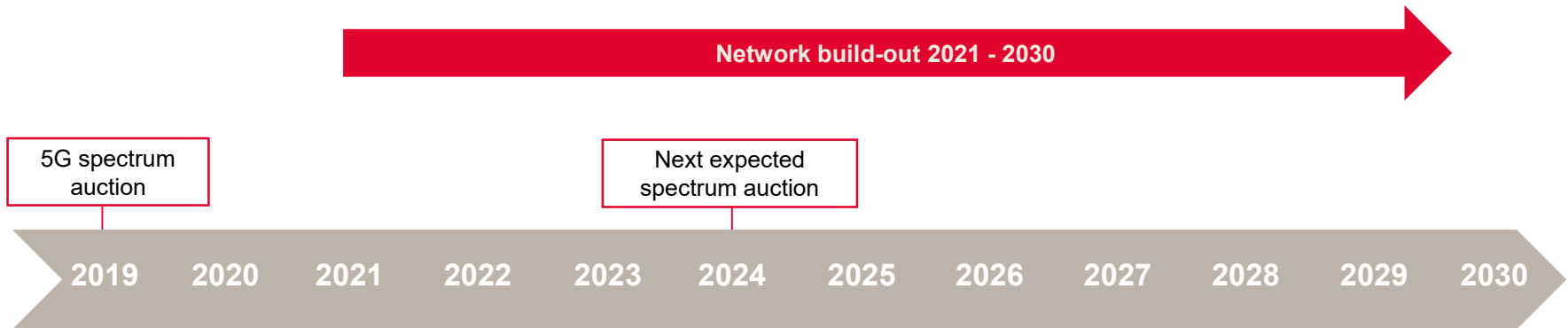


# SUCCESSFUL PARTICIPATION IN THE 5G AUCTION

- Acquisition of frequencies (5x10 MHz in 3.6 GHz), available from 1 January 2021 at the latest
  - €61 million payable annually from 2019 until 2030
- Acquisition of frequencies (2x10 MHz in 2 GHz), available from 1 January 2026
  - €67 million payable annually from 2025 until 2030
- Further: lease of 2x10 MHz in 2.6 GHz until 31 December 2025
  - On the basis of a voluntary commitment of Telefónica Deutschland, which comes along as part of the EU merger release with E-Plus

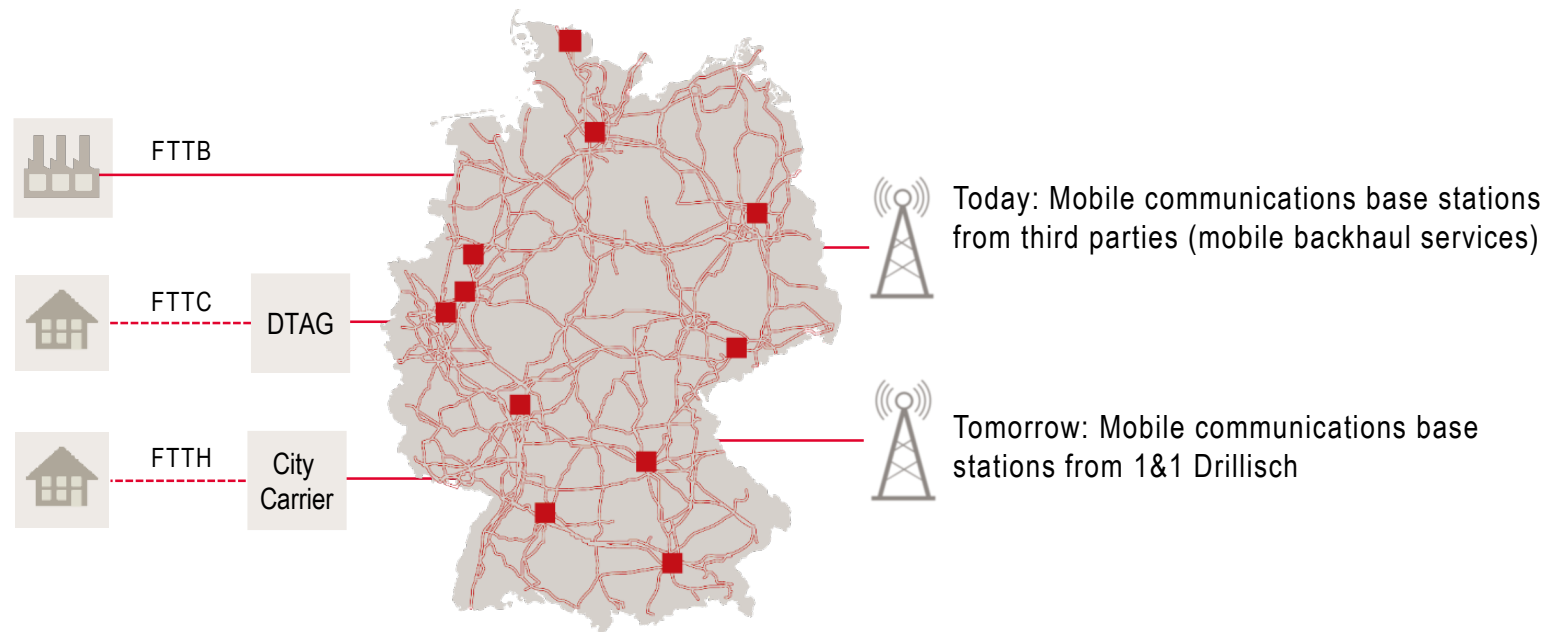
# ROADMAP FOR NETWORK BUILD

- 1st step: Acquisition of spectrum ✓
- 2nd step: Negotiations about national roaming and infrastructure sharing ongoing
- 3rd step: Cooperation agreement with one or more technology partner(s) and their respective services ongoing
- 4th step: Network build-out based on the 1&1 Versatel network ongoing
- 5th step: Further participation in the next spectrum bid (800MHz), expected for 2024



# USING 1&1 VERSATEL'S FIBER NETWORK

- 1&1 Versatel runs one of the largest fiber networks in Germany, which can be used as 5G backhaul
- In 250 German cities, including 19 of the 25 largest cities
- 49,495 km (previous year: 47,693 km)

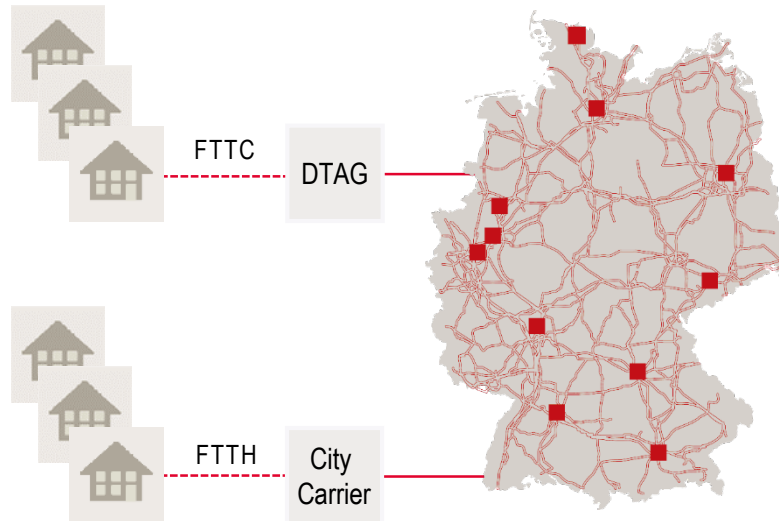


# ROLL-OUT OBLIGATIONS

- End of 2022
  - 1,000 active 5G base stations
- End of 2025
  - 25 % household coverage – corresponding to up to 40 biggest cities
- End of 2030
  - 50 % household coverage – corresponding to up to 390 biggest cities
- End of 2021
  - Further construction of antenna sites in “white spots”, as part the of the agreement in regard to the “Mobile Summit 2018”. At the same time, 1&1 Drillisch will benefit from the agreement on installment payments for the costs of the 5G frequencies.

# CONSUMER ACCESS: FIXED-LINE BUSINESS

- Largest alternative German DSL provider
- Connect fixed-line test: #1 in 2020, 2017 and 2015, #2 in 2018 and 2016

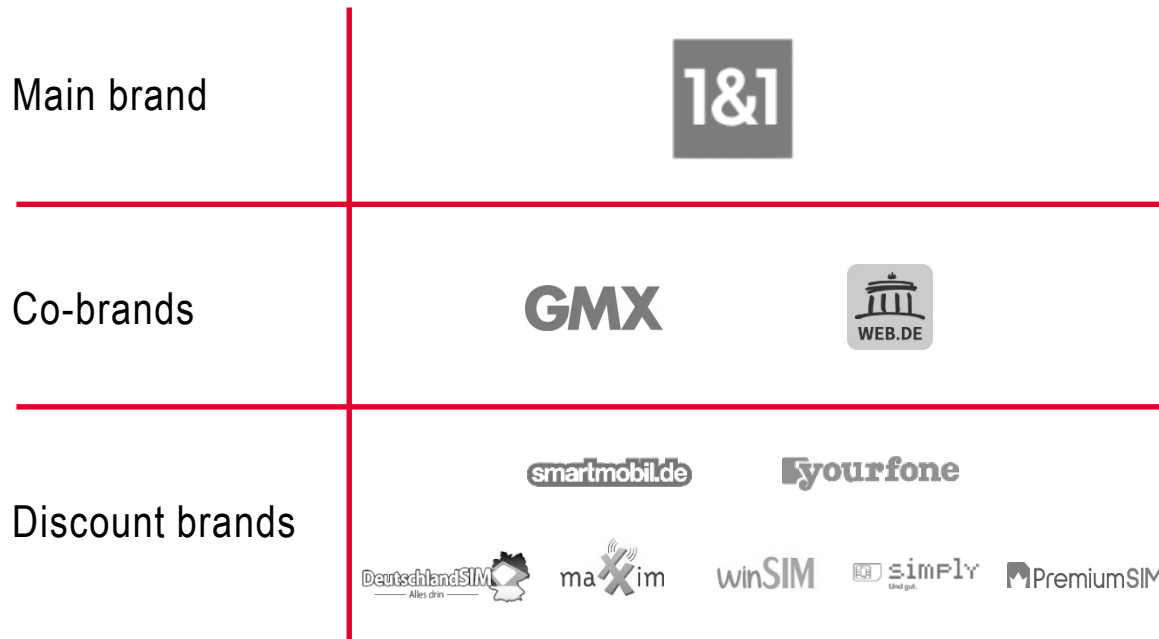


Last mile:

- VDSL vectoring (FTTC) primarily via 1&1 Versatel and Layer 2 infrastructure of Deutsche Telekom, besides Layer 3
- Fiber-optic connections (FTTH) via city carriers
- ADSL via further network operators

# CONSUMER ACCESS: MOBILE BUSINESS

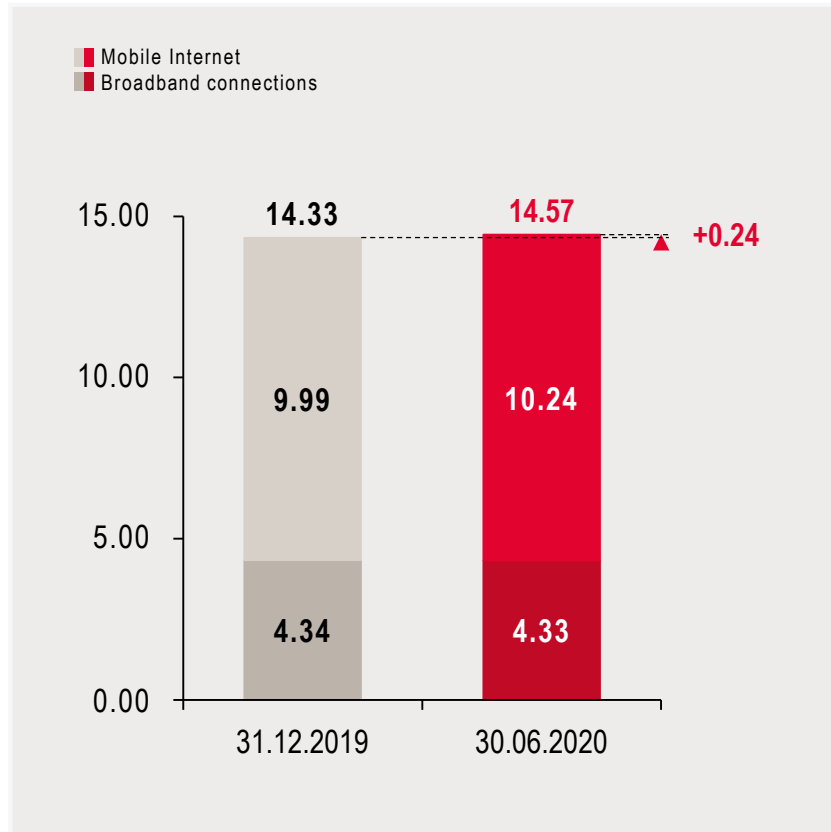
- Germany's leading MVNO
- Broad market coverage



- TEFD remedy partner with long-term guaranteed access to up to 30% of network capacity and all future technologies, incl. 5G
- Additional wholesale contract with Vodafone

# CONSUMER ACCESS SEGMENT: CUSTOMER CONTRACTS

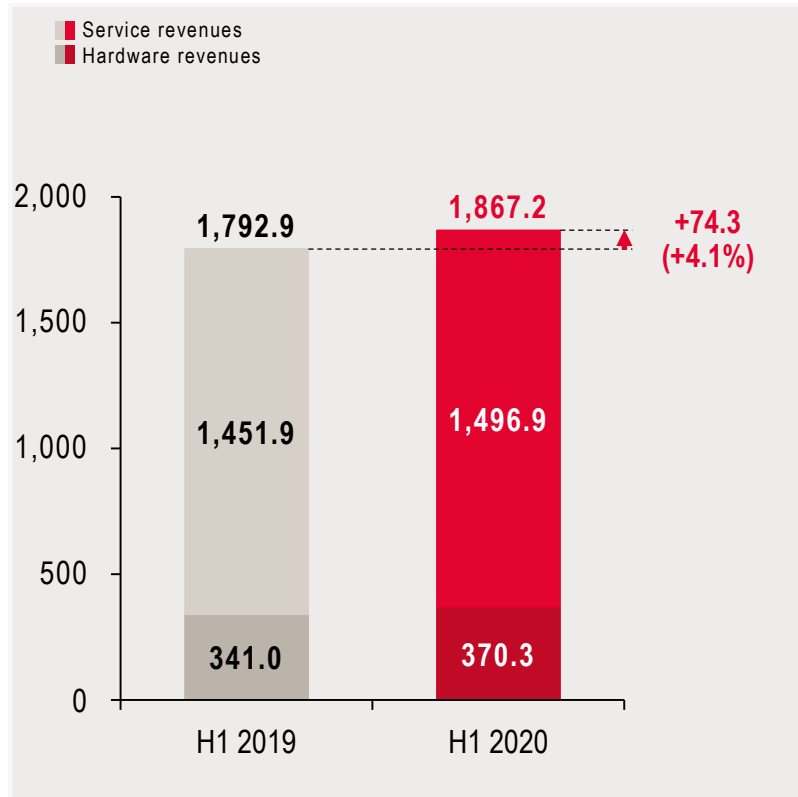
(in million)



- 14.57 million customer contracts (+ 240,000)
  - 10.24 million mobile internet contracts (+ 250,000)
  - 4.33 million broadband connections  
ADSL / VDSL / FTTH (- 10,000)

# CONSUMER ACCESS: REVENUES

(acc. to IFRS in € million)

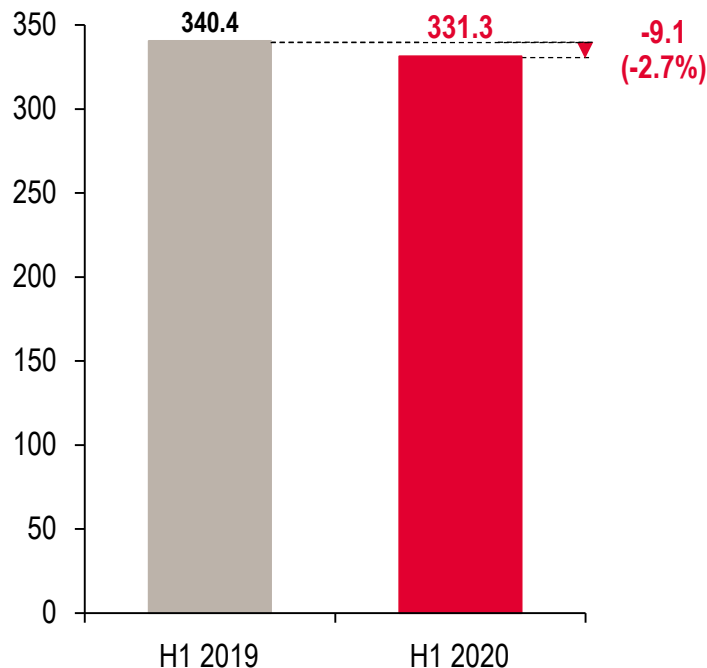


- + 4.1 % revenues to € 1.867 billion
  - + 3.1 % service revenues to € 1,496.9 million, despite - € 4.6 million, due to the coronavirus pandemic (in particular missing international roaming)
  - + 8.6 % low-margin hardware revenues to € 370.3 million
- ➔ + 4.4 % comparable service revenues – excluding the aforementioned pandemic effect



# CONSUMER ACCESS: EBITDA

(acc. to IFRS in € million)



- - 2.7 % EBITDA to € 331.3 million
  - € - 13.7 million from regulation of subscriber line charges (“TAL”) and “SMS EU” (prior year: € - 1.0 million)
  - € - 5.6 million from initial costs for the 5G network (prior year: € - 1.9 million)
  - € - 0.4 million one-offs from Drillisch integration (prior year: € - 2.3 million)
  - € - 10.2 million from temporary change in behaviour caused by the coronavirus pandemic\*
  - 17.7 % EBITDA margin (prior year: 19.0 %)
- ➔ + 4.5 % comparable EBITDA – excluding the aforementioned effects

\* Especially in the area of telephony (voice), inter alia by home office use

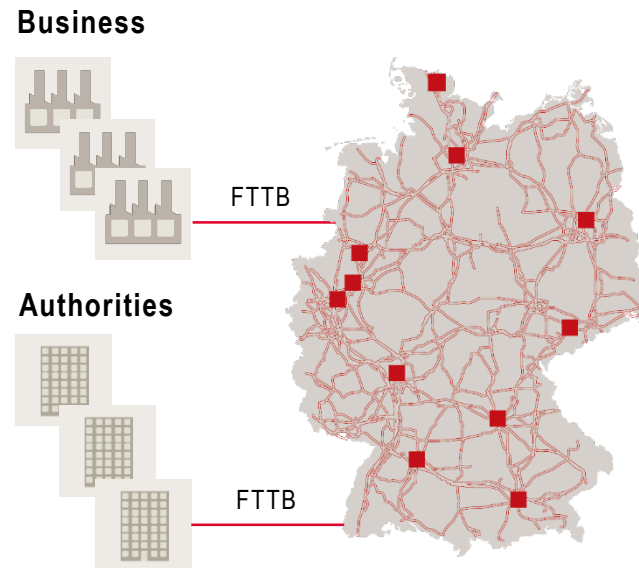
# BUSINESS ACCESS SEGMENT

- One of the largest German fiber-optic networks
- Project business and plug-and-play solutions for medium-sized companies



**GLASFASER  
DIREKT**

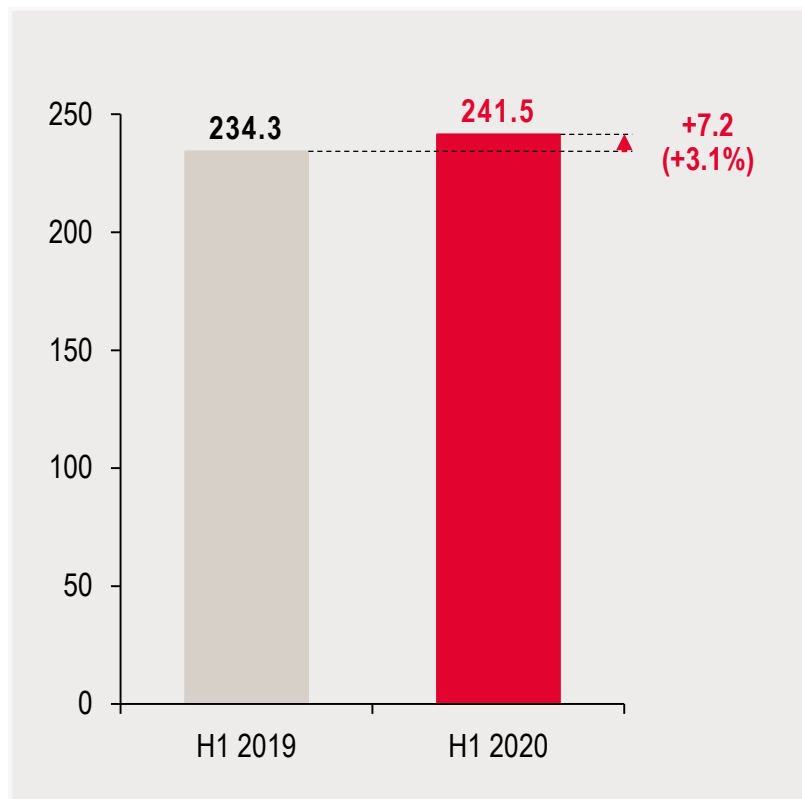
✓ Glasfaser-Anschluss für Firmen!  
✓ Garantierte Gigabit-Bandbreite!  
✓ Keine Baukosten bis zum Gebäude!



- Fiber-optic network with 49,495 km (Prior year: 47,693 km)
- In 250 German cities, including 19 of the 25 largest cities
- 17,838 directly connected locations (Prior year: 16,315)

# BUSINESS ACCESS: REVENUES

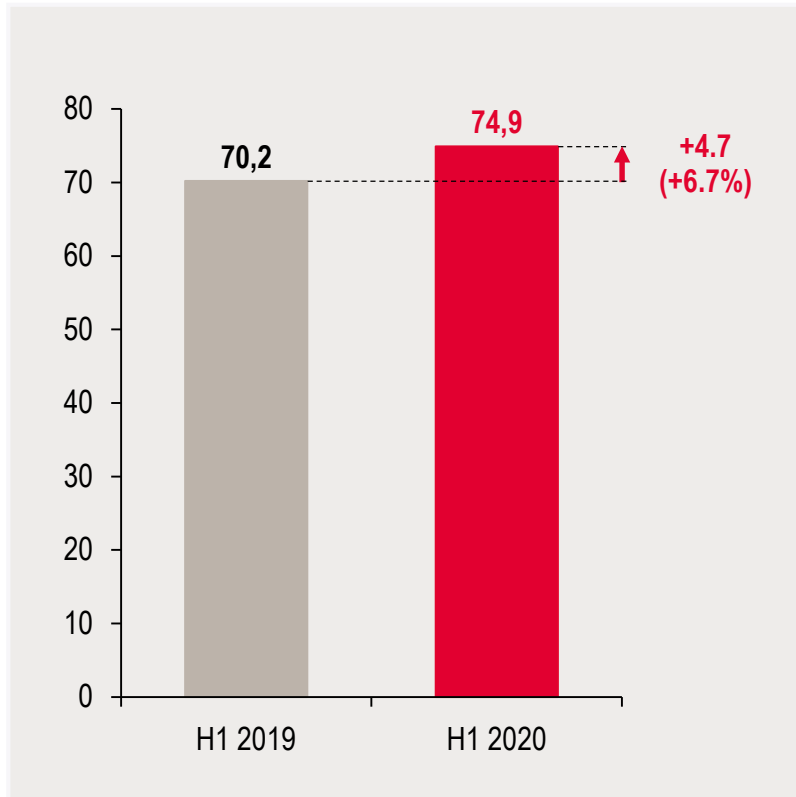
(acc. to IFRS in € million)



- + 3.1 % revenues to € 241.5 million
  - € - 8.2 million from services which expired in 2019 and which were previously provided to broadband customers taken over by 1&1 Drillisch in 2017
  - € + 3.1 million from stronger telephony business due to the coronavirus pandemic
- ➔ + 6.8 % in the core business (B2B and wholesale) and + 5.4% without the pandemic effect

# BUSINESS ACCESS: EBITDA

(acc. to IFRS in € million)



- + 6.7 % EBITDA to € 74.9 million
  - € - 3.3 million from expiry of services in 2019 for broadband customers taken over by 1&1 Drillisch
  - € + 0.9 million from stronger telephony business due to the coronavirus pandemic
- 31.0 % EBITDA margin (prior year: 30.0 %)
- ➔ + 12.0 % in core business (B2B and wholesale) and + 9.9 % without the pandemic effect

# “APPLICATIONS” IN H1 2020

- CONSUMER ACCESS
- BUSINESS ACCESS

- BUSINESS APPLICATIONS
- CONSUMER APPLICATIONS

# APPLICATIONS DIVISION: PORTFOLIO AND TARGET GROUPS

	Consumer	Business
Target countries	Germany, Austria, Switzerland, UK, USA, France, Spain, India	Germany, Austria, France, Netherlands, UK, Italy, Poland, Portugal, Spain, Canada, Mexico, USA
Target groups	Home users	Freelancers, SMBs, Web Professionals, Enterprises
Solutions	Product development and operation on 90,000 servers at 10 data centers	Product development and operation on 90,000 servers at 10 data centers
Products	Personal Information Management (email, to-do lists, appointments, addresses), cloud storage and online office	Domains, websites, webhosting, e-business (e-shops, SEM, List Local, Online Office), Dedicated and Cloud Infrastructure

# CONSUMER APPLICATIONS: KEY ASSETS

Assets

## Largest ID Network outside Google and facebook

- 90% log in traffic
- ID platform with over 70 partners (netID)

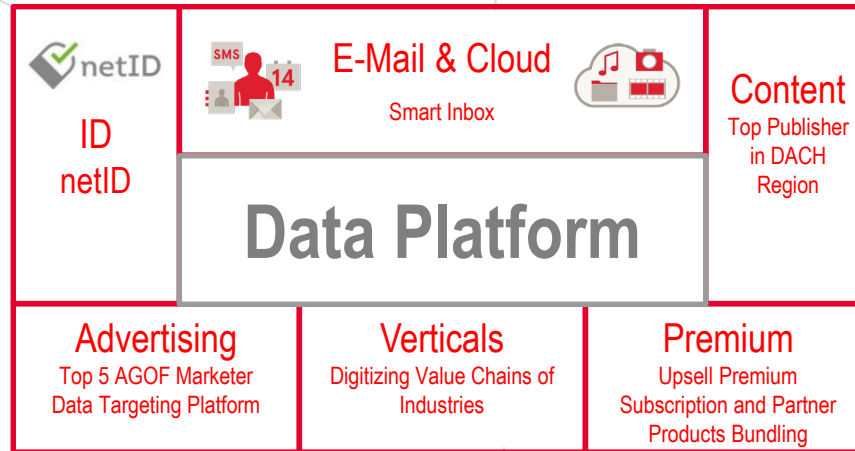
## Largest E-Mail Platform in DACH Region, 50% Market Share in Germany

- 40 Mio Active User globally
- 25 Mio Mobile User
- Large inventory: >100 Billion Page Impressions p.a.
- Satisfied customer base NPS 27, CSI 80, Trust 87

## Top 3 Publisher in DACH Region

- No 1 in daily use for news
- No 3 in digital opinion lead
- Own editorial team and targeting platform (play out and enriching)

Platform



Monetization

## Top 5 AGOF Marketer, best Data Targeting Platform outside of Google

- Unrivalled reach in DACH Region
- Tailored Solutions for Advertiser Classic and targeted Advertising

## Digitizing Value Chains of Industries through own verticals






- Leveraging customer engagement, brand trust and digital competences to dig deeper into value chains and handle customers directly
- Full virtual Energy Provider
- Mobile Sales Platforms with Price Comparison
- Building Insurance Platform

## Upsell Premium Subscription and Partner Products Bundling

- Leveraging high customer engagement through premium products
- Option for users who don't like advertising

# CONSUMER APPLICATIONS: ASSETS

- One of the leading providers in Consumer Applications
- 32.2 million active user accounts in Germany – more than 50 % market share in private emails

	email*	eIDAS/ De-Mail	Cloud storage*	Content*	ID
	#1	#1	#3	#1	#3
	#2	–	#1	–	#1
	#3	–	#5	#4	n.a.
	#4	#2	#7	#2	n.a.
	n.a.	–	–	n.a.	#2

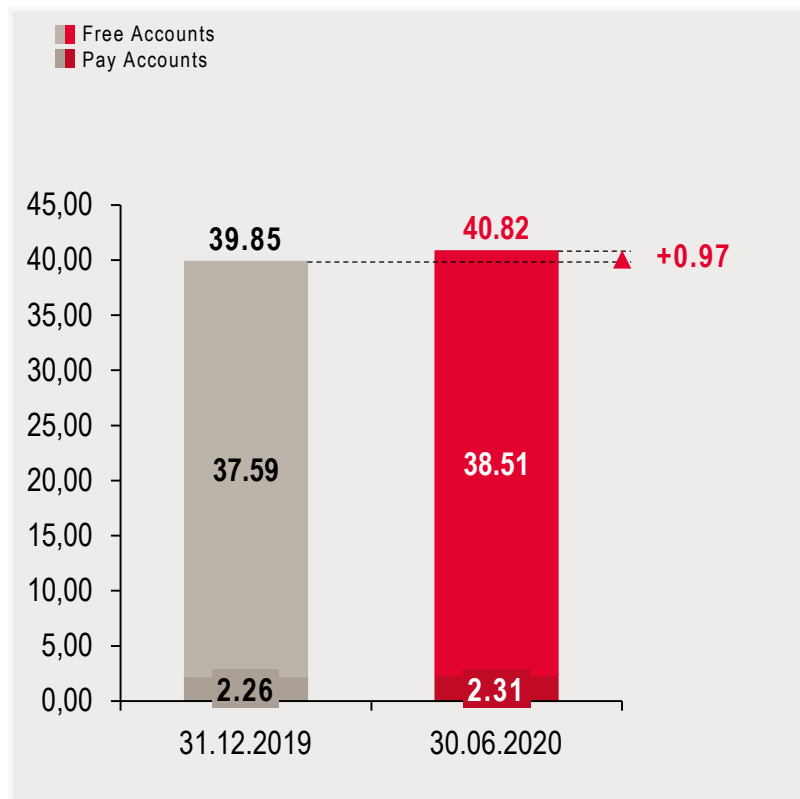
- Differentiation through data protection and data security
- Advertising marketing via United Internet Media

\* Email and Cloud storage: Representative survey of Convios Consulting on behalf of United Internet, 2019 (privately most used e-mail / cloud provider in Germany)  
Content: die medienanstalten, MedienVielfaltsMonitor 2019-I, market share online media



# CONSUMER APPLICATIONS: ACCOUNTS

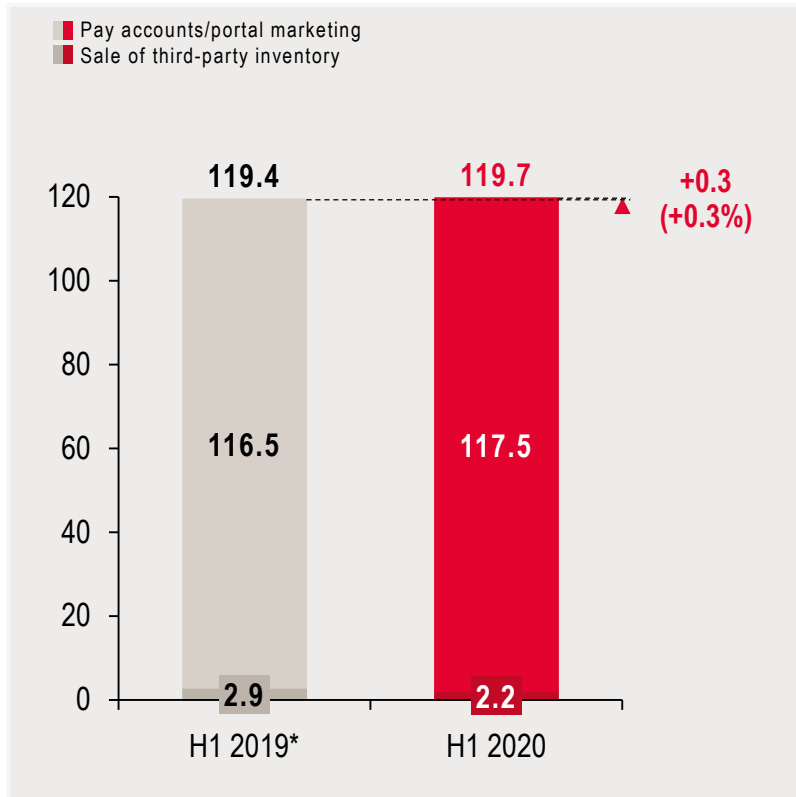
(in million)



- 40.82 million consumer accounts in total (+ 970,000), thereof
  - 38.51 million free accounts (+ 920,000)
  - 2.31 million pay accounts (+ 50,000)
- 25.8 million with mobile usage (+ 1,200,000)
- 20.1 million with cloud storage (+ 700,000)

# CONSUMER APPLICATIONS: REVENUES

(acc. to IFRS in € million)



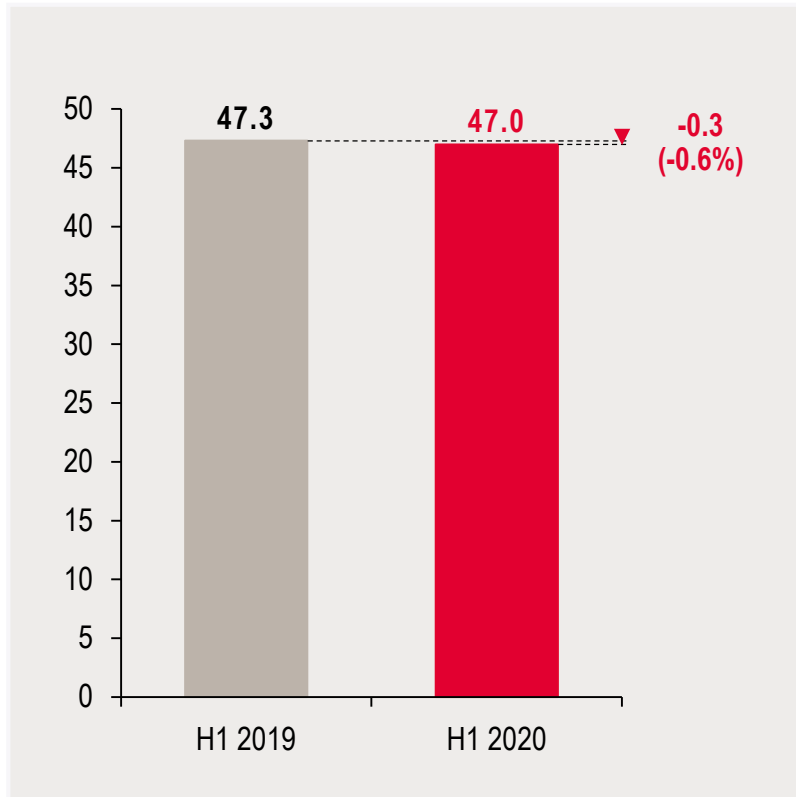
- + 0.3 % revenues to € 119.7 million
  - + 0.9 % in the core business with pay accounts and portal marketing despite - € 4.2 million pandemic-related revenue losses compared to the previous year\*\*
  - - 24.1 % in the area of low-margin third-party marketing
- ➔ + 4.5 % in core business without the pandemic effect

\* Revenues in 2019 after conversion of third-party marketing sales from gross to net disclosure in 2020; € 7.3mn/123.8mn values booked in 2019 based on gross disclosure

\*\* Significant decline in the online advertising market due to the strong restraint of many advertisers during coronavirus pandemic

# CONSUMER APPLICATIONS: EBITDA

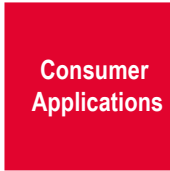
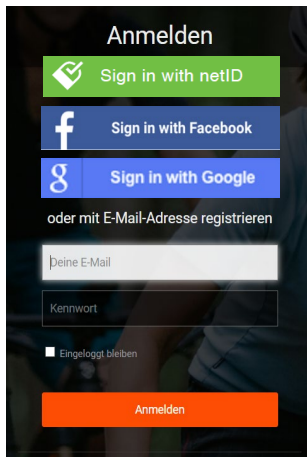
(acc. to IFRS in € million)



- - 0.6 % EBITDA to € 47.0 million
  - € - 3.4 million pandemic-related burdens on earnings
- 39.3 % EBITDA margin (prior year: 39.6 %)
- ➔ + 6.6% comparable EBITDA – without pandemic effect

# SUMMARY - BIG DATA OPPORTUNITY FOR CONSUMER APPLICATIONS

## Single-Sign-On process: netID

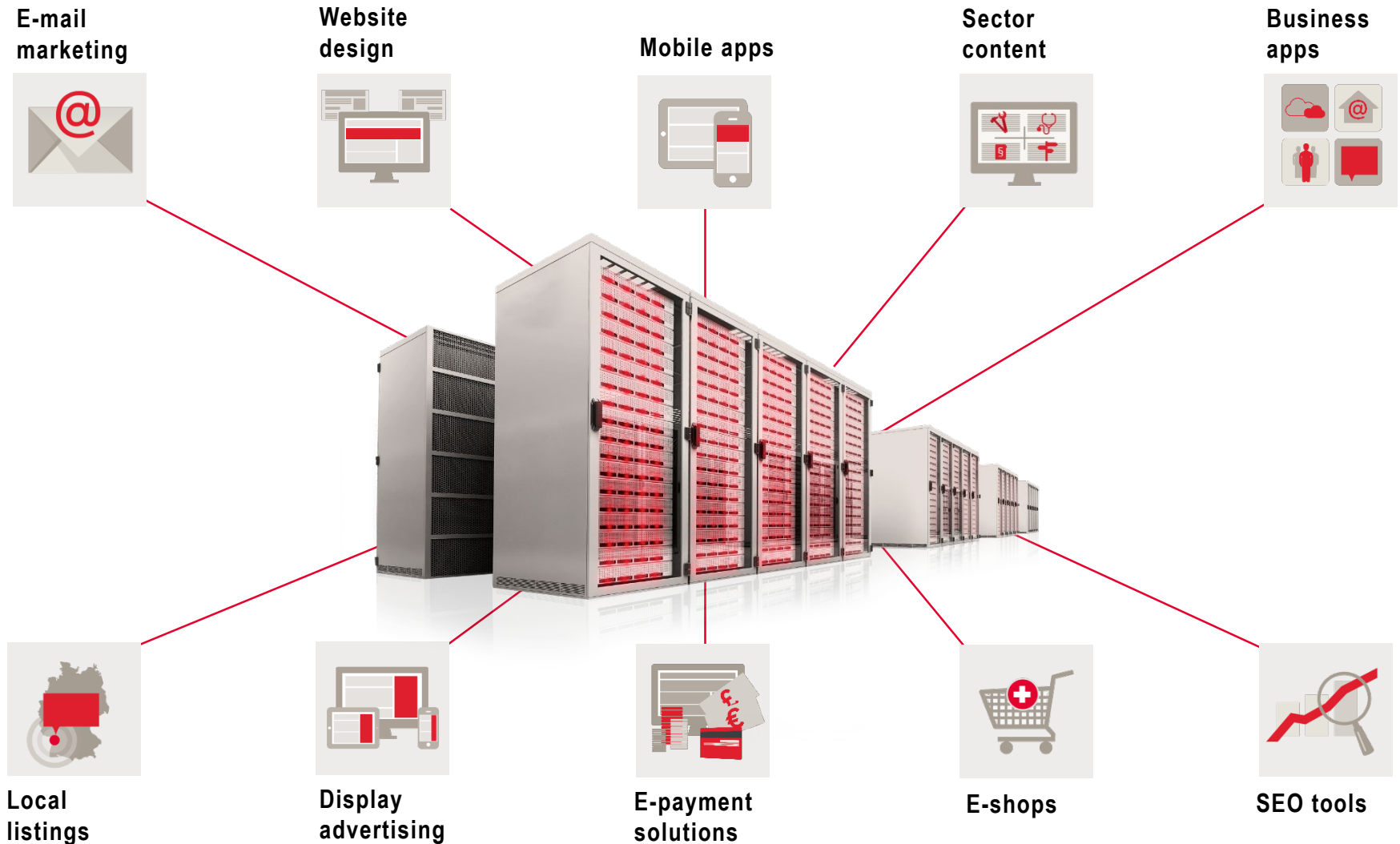


- Largest customer base in the attractive DACH market, leveraging two of the strongest and most trusted brands in Germany: GMX and WEB.de
- 40m customer accounts, of which 38m free accounts and 2m pay products

- netID is a new open standard for user identification, tracking and targeting, founded as a counterpart to the Single Sign On standards of Google and facebook
- Open eco system for digital players to leverage their existing user accounts under one standard and match user profiles compliant with GDPR / ePR (cookie restriction, cross device tracking)
- European netID Foundation's uniform login standard for currently 60 digital offerings from netID partners in a range of industries
- More than 50m unique users out of 55m online users in Germany
- 35m active netID capable accounts with access to deep data analysis
- Roll-out started in November 2018



# BUSINESS APPLICATIONS: FROM WEB HOST TO E-BUSINESS SOLUTIONS PROVIDER



# LIFT OFF TO A NEW WORLD OF HOSTING

## What's new?

- 1&1 Internet SE + ProfitBricks = 1&1 IONOS → IONOS by 1&1
- Only European web hosting provider that will be able to guide companies through all of the phases and milestones of their development
- Comprehensive range of solutions, from domains to enterprise clouds
- Free personal consultant for every customer
- One-stop-shop provider for SMBs with the ability to grow with SMB customers and cover the needs of professional web users
- Own servers through IONOS' self-developed enterprise cloud infrastructure

**IONOS** by **1&1**

## THE IONOS PROMISE

### Promise #1

A personal consultant to support you whenever you need them

### Promise #3

Best-in-class products for professionals, developers and administrators in companies and agencies

### Promise #2

The best products for beginners so that you can start building your own internet presence

### Promise #4

Efficient cloud applications to lead your company down the road to success

## NEW APPROACH

### Promise #1

- Direct line to your personal consultant
- Accessibility by phone, mail and chat
- As an exclusive service completely free
- Tailored to the specific needs of the customer

# 1&1 IONOS IS THE UNDISPUTED #1 WEB HOST IN EUROPE AND ONE OF THE LEADING HOSTING PLAYERS GLOBALLY



We operate in a **global, underserved market** driving **digitalization** of small and medium-sized businesses



Largest European web host with more than **8m customers** and over **25m domains** under management



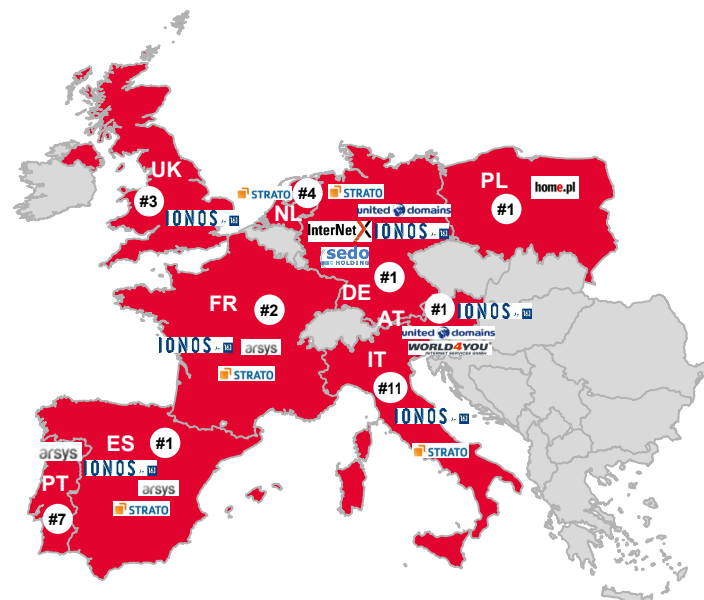
Over **3m small businesses** trust us as their partner-of-choice for online success



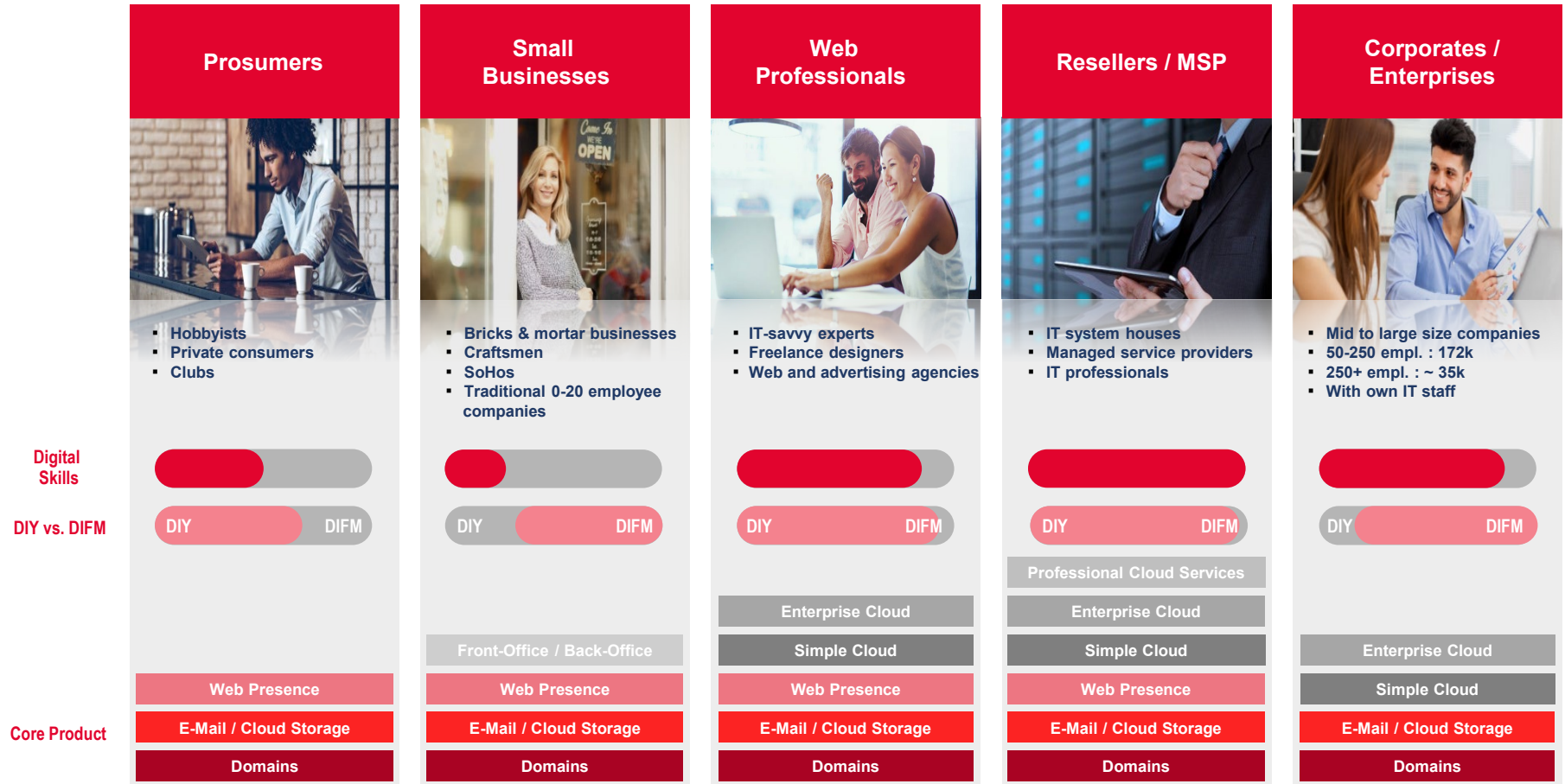
**Best-known hosting brands** in Europe operating in 12 markets



Highly skilled and motivated workforce of **3,400 employees** making the difference



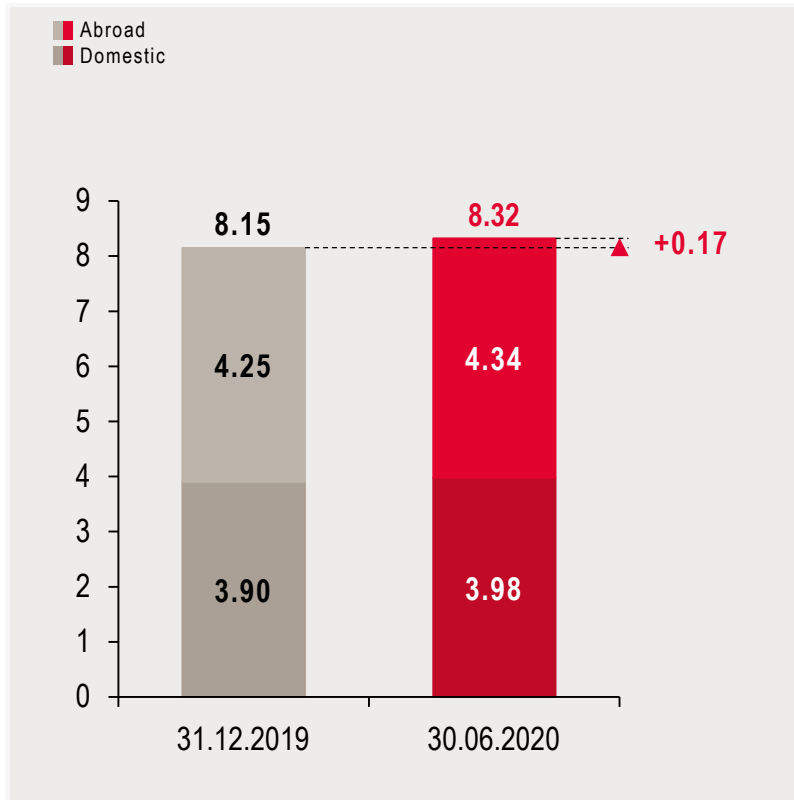
# DIVERSE CUSTOMER SEGMENTS OFFERING GREAT MARKET POTENTIAL





# BUSINESS APPLICATIONS: CUSTOMER CONTRACTS

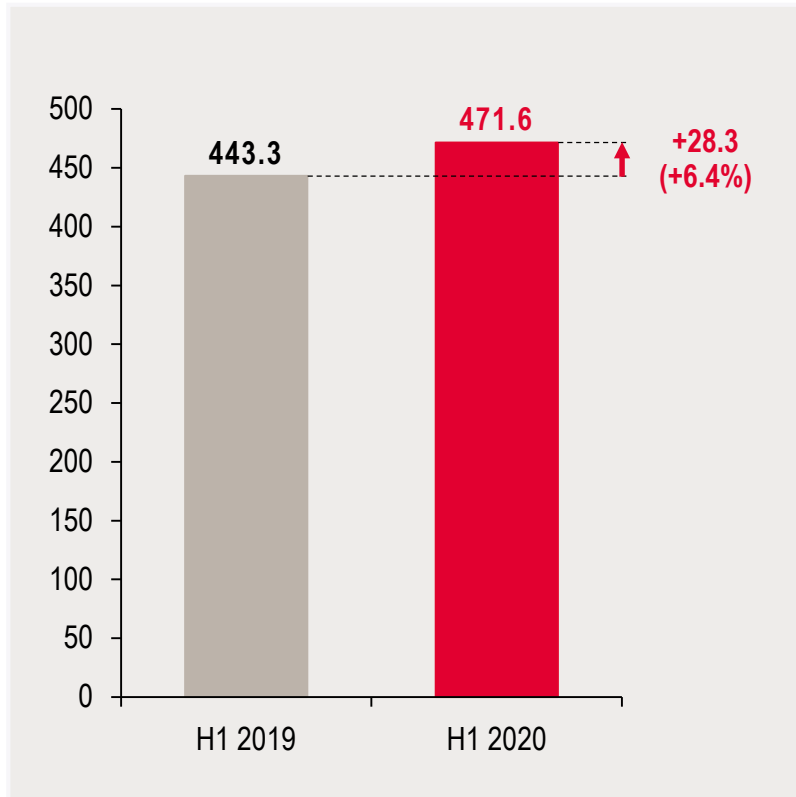
(in million)



- 8.32 million customer contracts (+ 170,000)
  - 4.34 million abroad (+ 90,000)
  - 3.98 million domestic (+ 80,000)

# BUSINESS APPLICATIONS: REVENUES

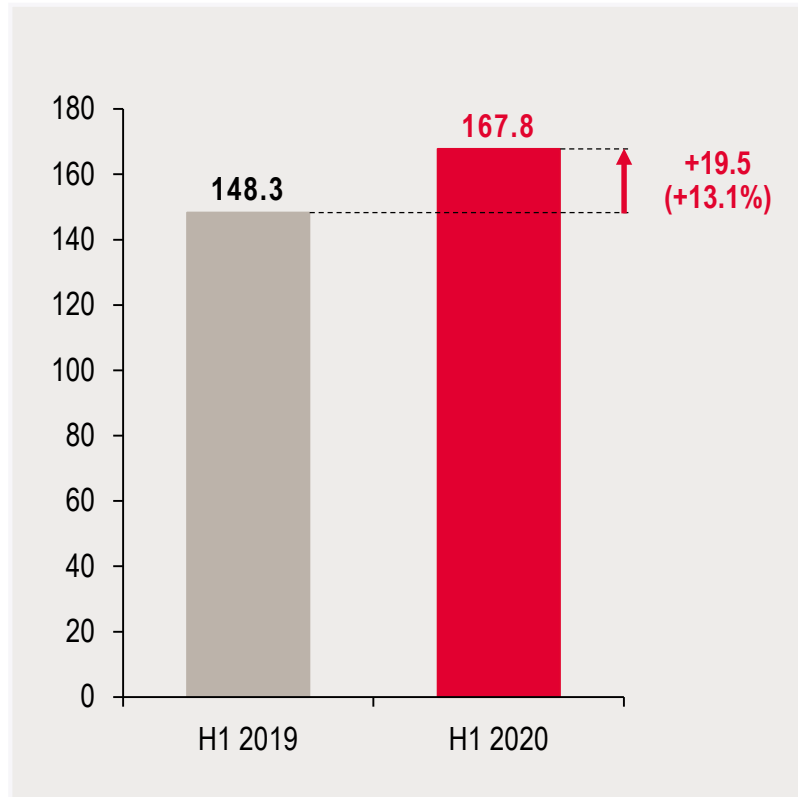
(acc. to IFRS in € million)



- + 6.4 % revenues to € 471.6 million
  - Customer growth
  - Up- and cross selling
  - Positive effects from low-margin and volatile domain parking business

# BUSINESS APPLICATIONS: EBITDA

(acc. to IFRS in € million)



- + 13.1 % EBITDA to € 167.8 million
  - thereof € 48.0 million marketing expenses (prior year: € 57.6 million, thereof € 13.7 million rebranding)
- 35.6 % EBITDA margin (prior year: 33.5 %)

# FINANCIAL FIGURES FOR THE GROUP AND OUTLOOK 2020

## GROUP: KEY FIGURES AS OF 30 JUNE 2020

Contracts in millions / financial KPIs acc. to IFRS in € millions	30.06.2019	30.06.2020	Change
Customer contracts with costs	24.29	25.20	+ 0.91 Mio.
Advertising financed Free-Accounts	36.95	38.51	+1.56 Mio.
Revenues	2,556.5	2,657.9	+ 4.0 %
EBITDA	630.0	620.5	- 1.5 %
EBIT	390.8	385.4	- 1.4 %
EPS without special times in € <sup>(1)</sup>	0.90	0.98	+ 8.9 %
Capex	- 102.8	- 123.3	+ 19.9%
Free Cashflow <sup>(2)</sup>	138.0	211.0	+ 73.0 mn

<sup>(1)</sup> Sale of virtual minds in H1 2019 (EPS effect: +0.11 €) as well as impairments of Tele Columbus (EPS effect: -0.17 €) and reversals of impairments in H1 2020 (EPS effect: +0.08 €)

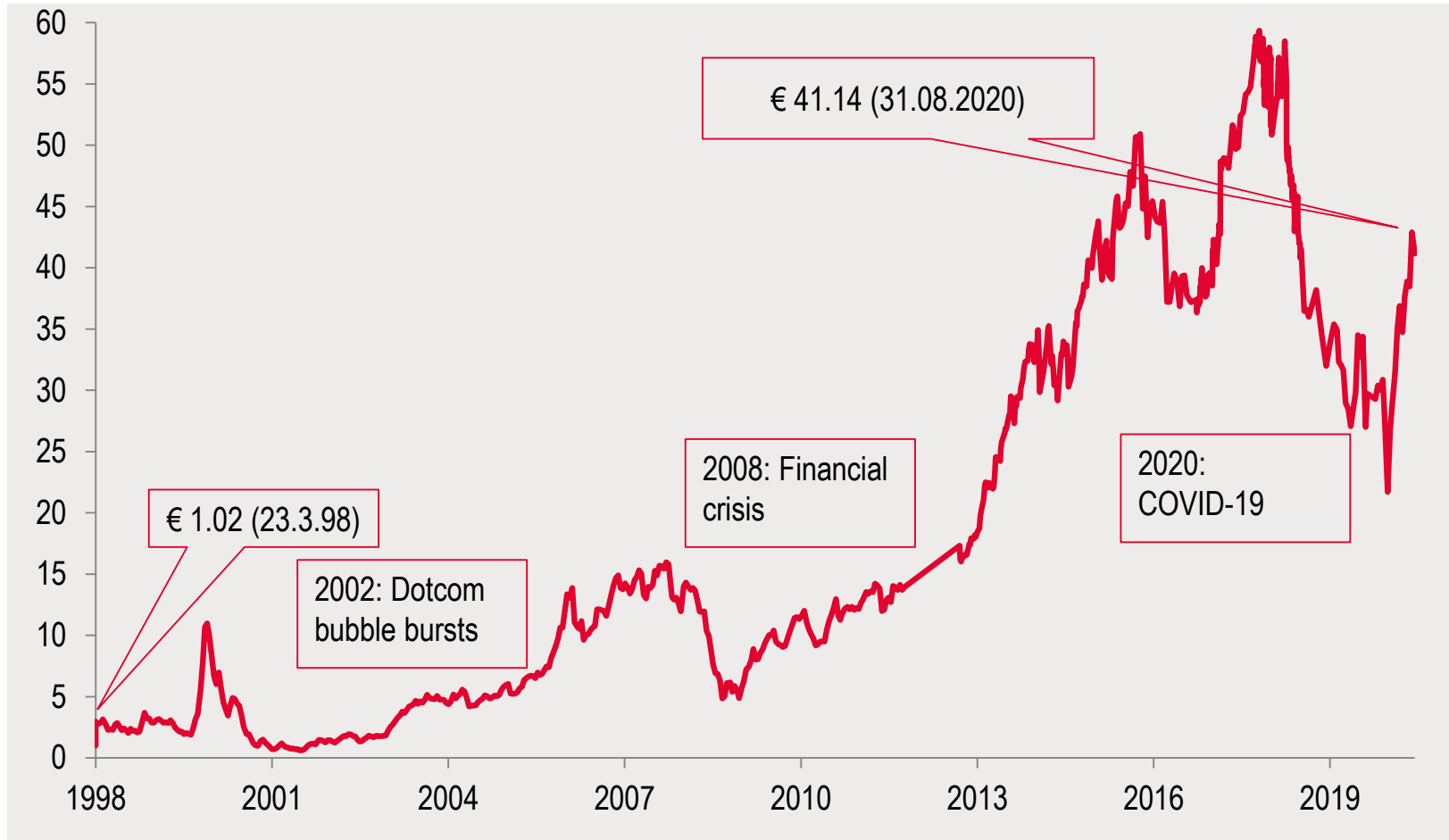
<sup>(2)</sup> Free cash flow is defined as net cash provided by operating activities less capital expenditure on intangible assets and property, plant and equipment, plus cash inflows from the disposal of intangible assets and property, plant and equipment (excluding aperiodic tax payments); free cash flow in 2019 and 2020 including the repayment portion of lease liabilities that have been reported in cash flow from financing activities since FY 2019 (IFRS 16)

# OUTLOOK 2020

- On August 11, United Internet concretized the revenue forecast. We now expect growth of approx. 4 % (prior year: € 5,194.1 million).
- EBITDA is expected to remain at the previous year's level (€ 1,265.7 million)
- This forecast is subject to uncertainties, as it is currently not possible to precisely estimate the further duration and effects of the coronavirus pandemic.

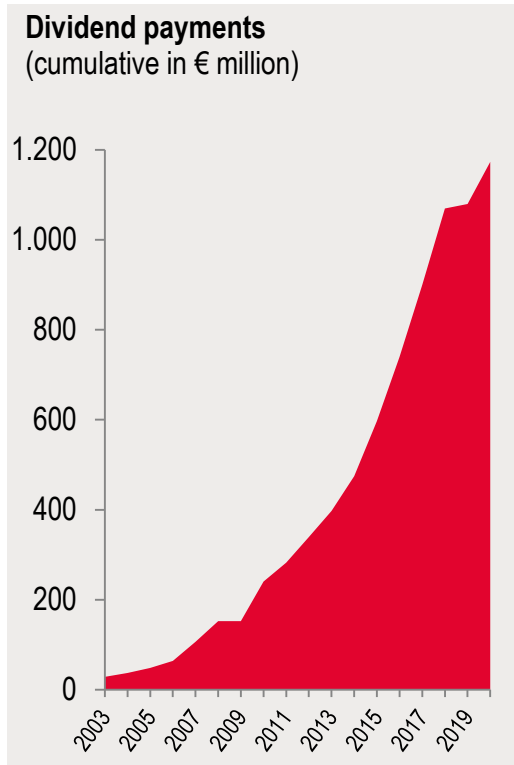
# SHARE AND DIVIDEND

# SHARE PRICE DEVELOPMENT

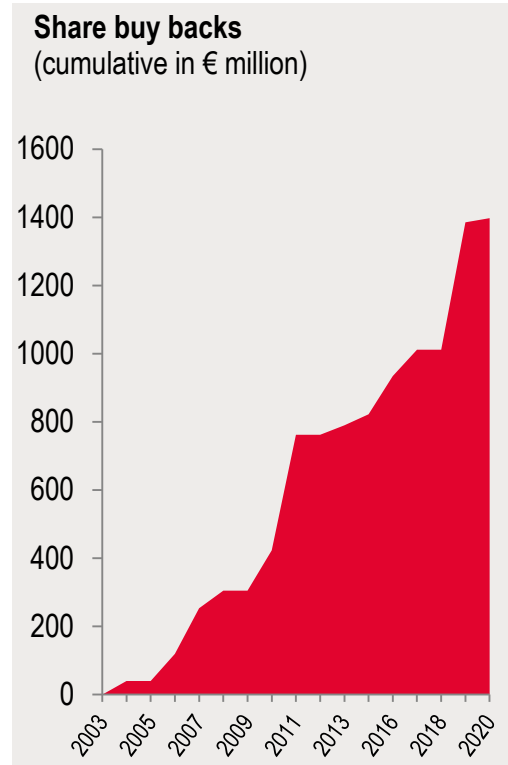




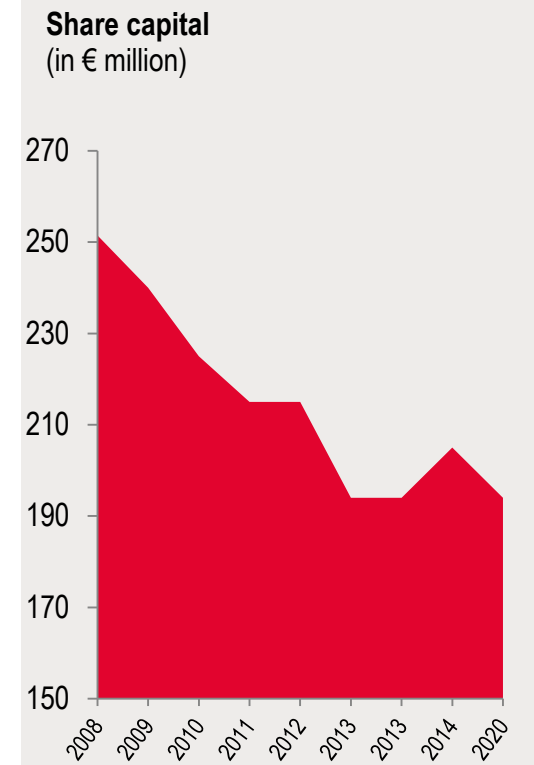
# SHAREHOLDER RETURN



- Total dividend payments of approx. € 1,173 million
- Dividend per share for fiscal year 2019: € 0.50



- Total of € 1.4 billion for share buy backs (until April 2020)



- Capital reduction to the level before the acquisition of Versatel in 2014: redemption of 11m shares in March 2020