

UNITED INTERNET AG

**Fiscal year 2020
and outlook 2021**

**Montabaur,
March 25, 2021**

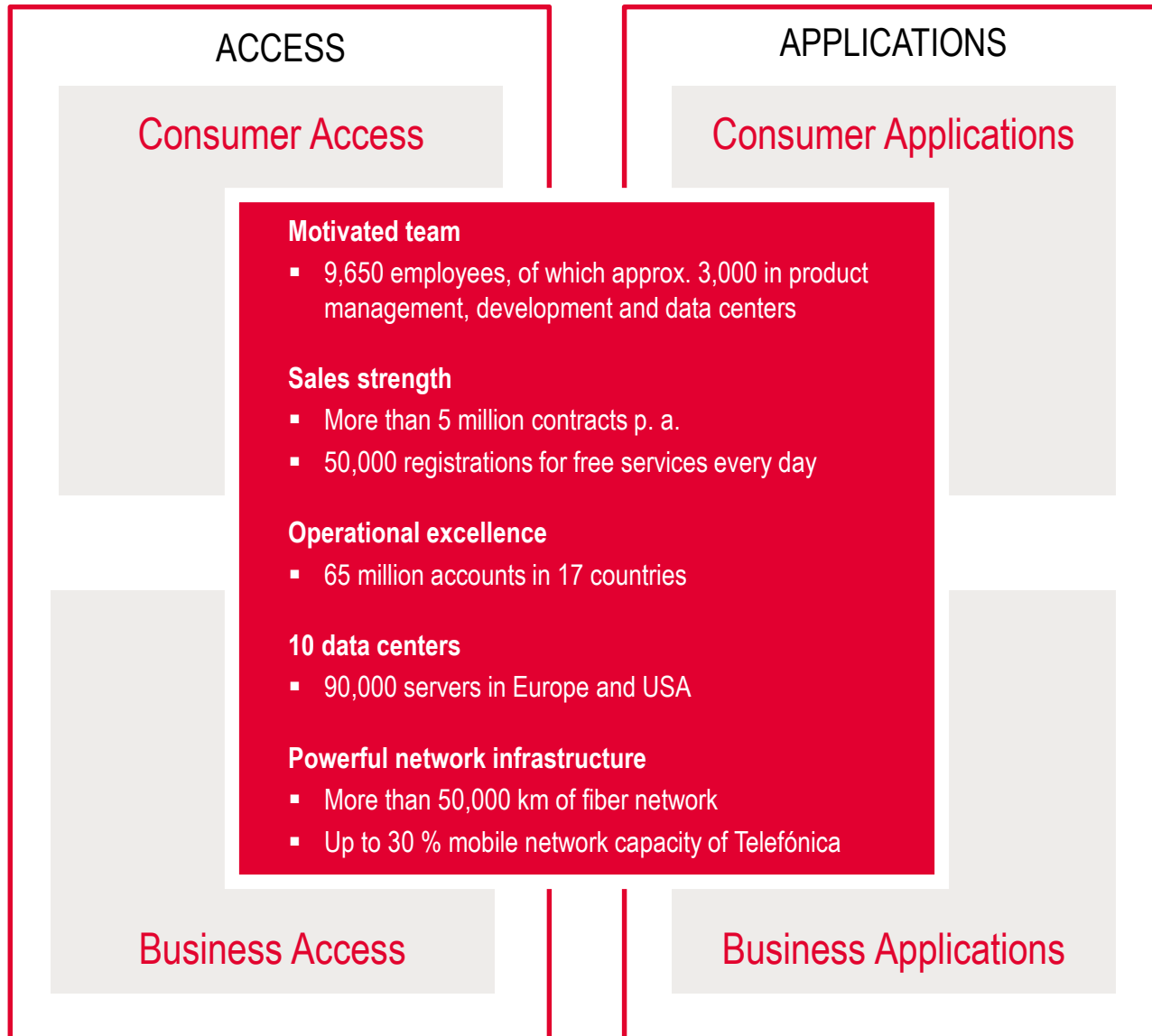
AGENDA

Ralph Dommermuth Company development 2020
Outlook 2021

Martin Mildner Results for fiscal year 2020

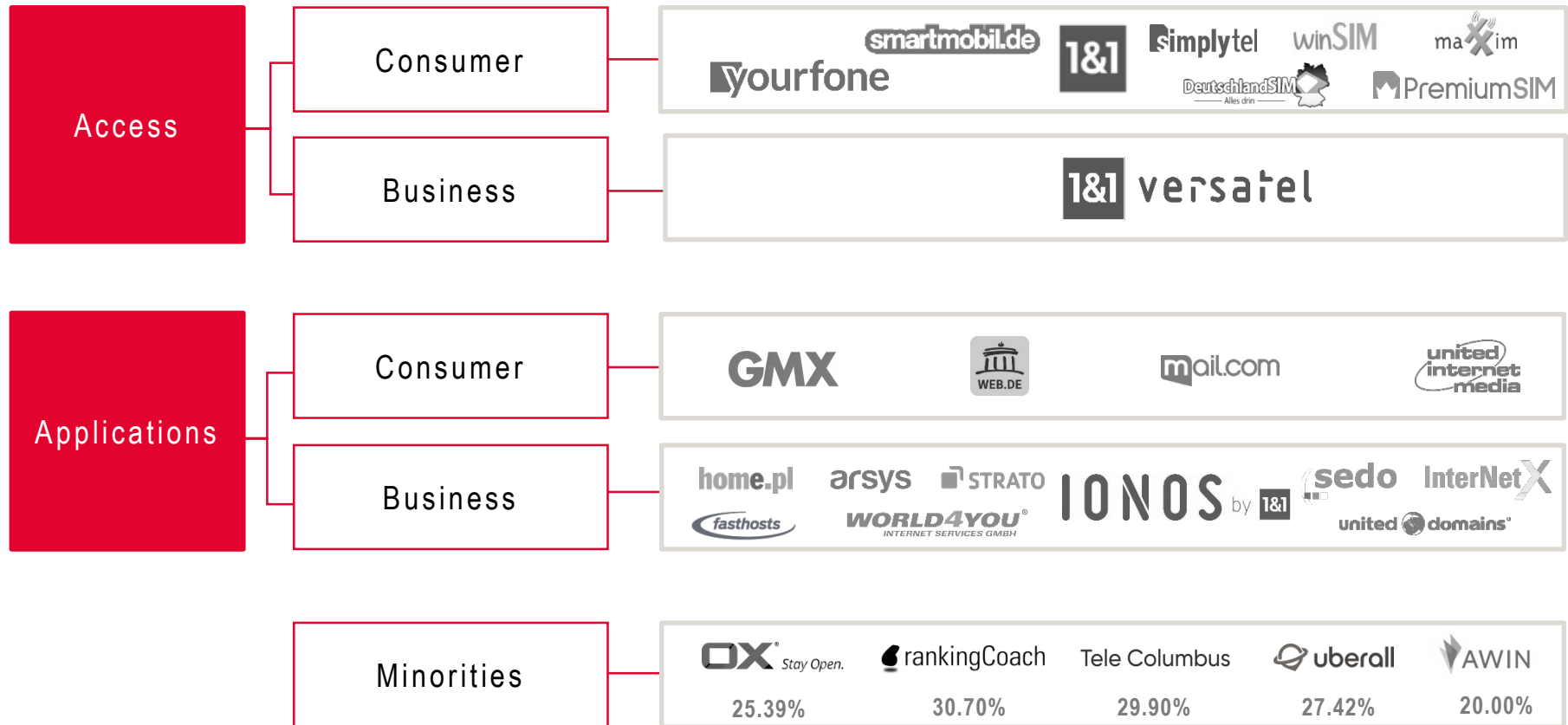
COMPANY DEVELOPMENT

2 BUSINESS AREAS: ACCESS & APPLICATIONS



BUSINESS AREAS & INVESTMENTS

(as of: December 31, 2020)



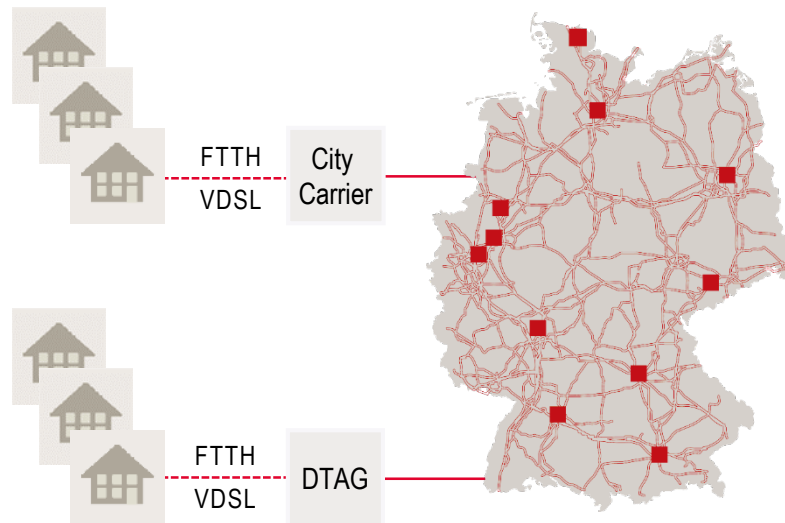
ACCESS IN FISCAL YEAR 2020

- CONSUMER ACCESS
- BUSINESS ACCESS

- CONSUMER APPLICATIONS
- BUSINESS APPLICATIONS

CONSUMER ACCESS: FIXED-LINE BUSINESS

- Largest alternative German DSL provider with 4.31 million broadband connections
- VDSL and FTTH complete packages including voice and IP-TV via 1&1 Versatel, with the last mile via Deutsche Telekom and City Carrier
- Connect fixed-line test: #1 in 2020, 2017 and 2015, #2 in 2018 and 2016



CONSUMER ACCESS: MOBILE BUSINESS

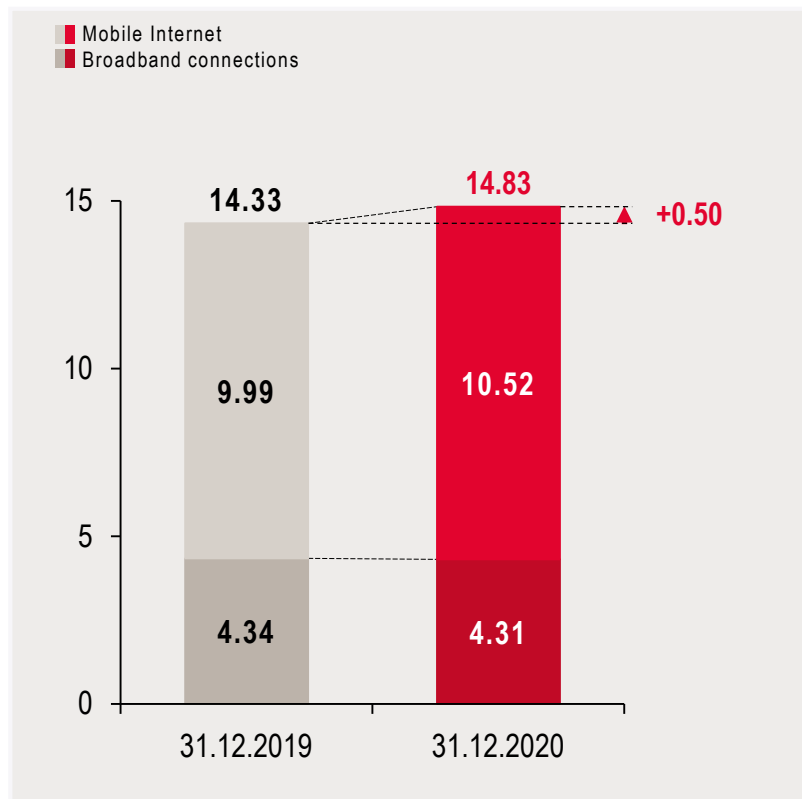
- Germany's leading MVNO with 10.52 million mobile internet contracts
- Broad market coverage



- Telefónica remedy partner with guaranteed long-term access to up to 30% of the network capacity and to all future technologies
- Additional wholesale contract with Vodafone

CONSUMER ACCESS: CUSTOMER CONTRACTS

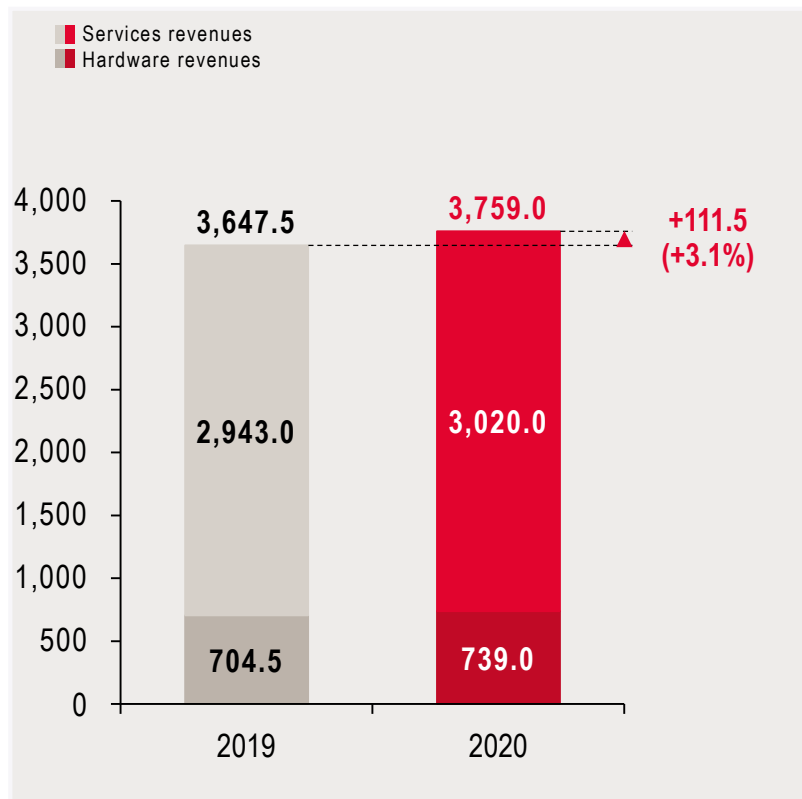
(in million)



- 14.83 million customer contracts (+ 500,000)
 - 10.52 million mobile internet contracts (+ 530,000)
 - 4.31 million broadband connections
ADSL / VDSL / FTTH (- 30,000)

CONSUMER ACCESS: REVENUES

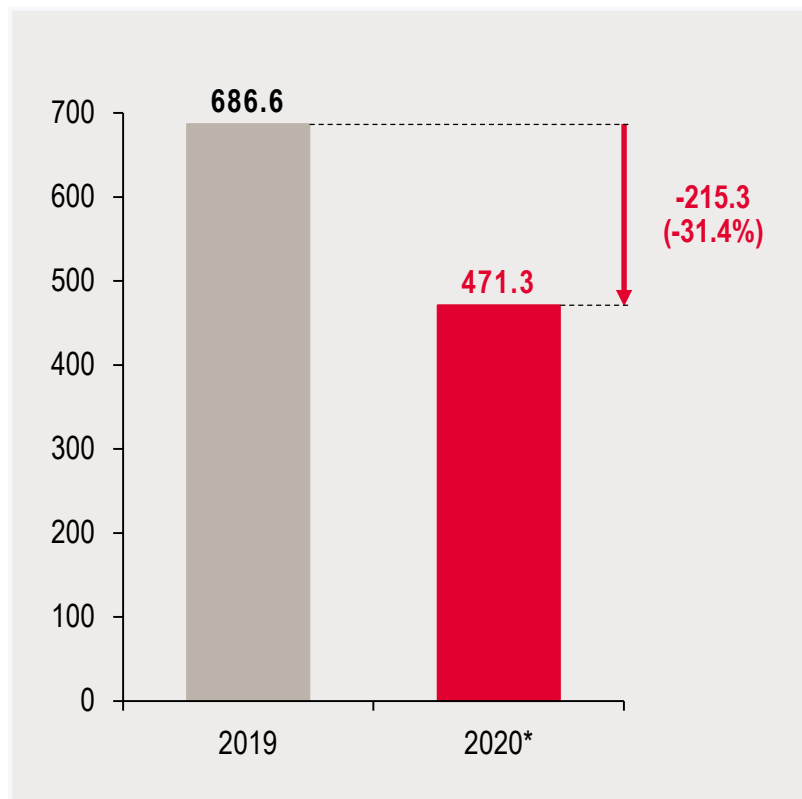
(acc. to IFRS in € million)



- + 3.1% revenues to € 3.759 billion
 - + 2.6% service revenues to € 3.020 billion, despite – € 24.1 million, due to the coronavirus pandemic (in particular missing Non-EU roaming)
 - + 4.9% low-margin hardware revenue to € 739 million
- ➔ + 3.7% comparable revenues – without the pandemic effect

CONSUMER ACCESS: EBITDA

(acc. to IFRS in € million)



- - 31.4% EBITDA to € 471.3 million
 - - € 129.9 million derecognition for unused VDSL contingents
 - - € 34.4 million excessive Telefónica wholesale billing (expected as “non-periodic” in 2021)
 - - € 25.2 million due to the coronavirus pandemic
 - - € 13.9 million from initial costs for the 5G network (prior year: - € 5.7 million)
 - - € 13.7 million from regulation effects
 - - € 1.1 million from integration projects (prior year: - € 3.2 million)
 - 12.5% EBITDA margin (prior year: 18.8%)
- ➔ + € 689.5 million comparable EBITDA – without the aforementioned effects* (prior year: € 695.5 million)

BUSINESS ACCESS

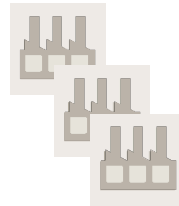
- One of the largest German fiber-optic networks
- Project business and plug-and-play solutions for medium-sized companies



**GLASFASER
DIREKT**

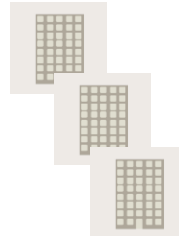
✓ Glasfaser-Anschluss für Firmen!
✓ Garantierte Gigabit-Bandbreite!
✓ Keine Baukosten bis zum Gebäude!

Business

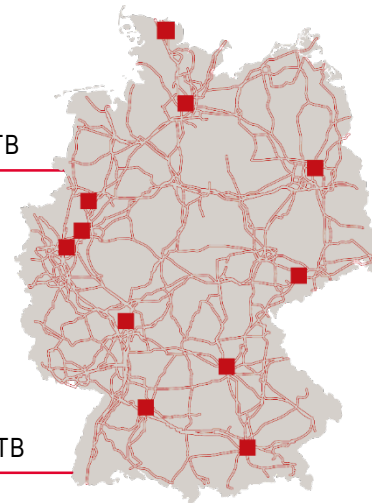


FTTB

Authorities



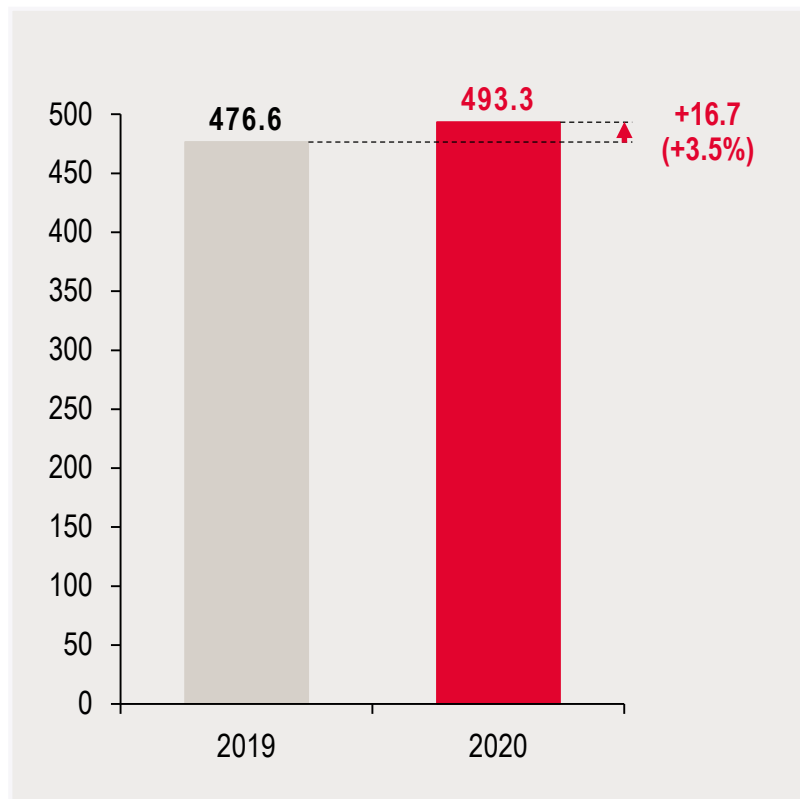
FTTB



- Fiber-optic network with 50,904 km
- In 250 German cities, including 19 of the 25 largest cities
- 19,836 directly connected locations

BUSINESS ACCESS: REVENUES

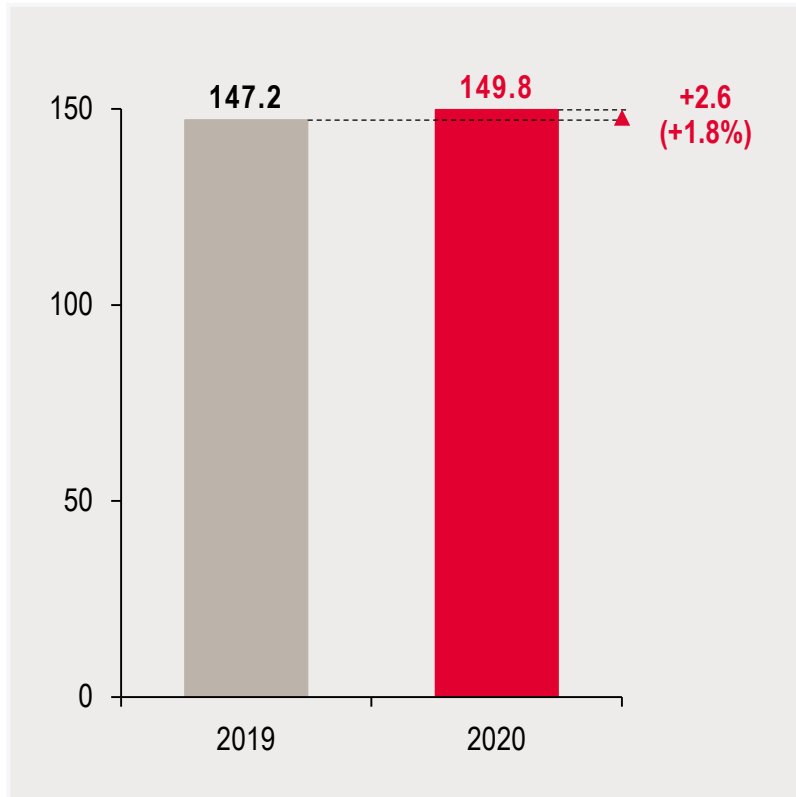
(acc. to IFRS in € million)



- + 3.5% revenues to € 493.3 million
 - - € 13.5 million from services expired in 2019 for broadband customers taken over by 1&1 Drillisch in 2017
 - + € 3.8 million from stronger telephony business due to the coronavirus pandemic
- ➔ + 6.5% in core business with B2B and wholesale and + 5.7% without the pandemic effect

BUSINESS ACCESS: EBITDA

(acc. to IFRS in € million)



- + 1.8% EBITDA to € 149.8 million
 - - € 5.0 million from services expired in 2019 for broadband customers taken over by 1&1 Drillisch
 - + € 1.6 million from stronger telephony business due to the coronavirus pandemic
- 30.4% EBITDA margin (prior year: 30.9%)
- ➔ + 5.3% in core business with B2B and wholesale, respectively + 4.2% without the pandemic effect

APPLICATIONS IN FISCAL YEAR 2020

- CONSUMER ACCESS
- BUSINESS ACCESS

- CONSUMER APPLICATIONS
- BUSINESS APPLICATIONS

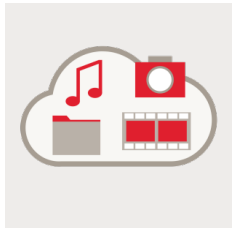
CONSUMER APPLICATIONS: FROM E-MAIL SERVICE TO COMMAND CENTER FOR COMMUNICATION, INFORMATION AND IDENTITY MANAGEMENT



Communication and organization
E-mail, calendar, contacts, SMS, fax



Online office texts, spreadsheets, presentations



Cloud storage
for photos, videos, music and documents








De-Mail
legally secure communication and identity management



CONSUMER APPLICATIONS: ASSETS

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

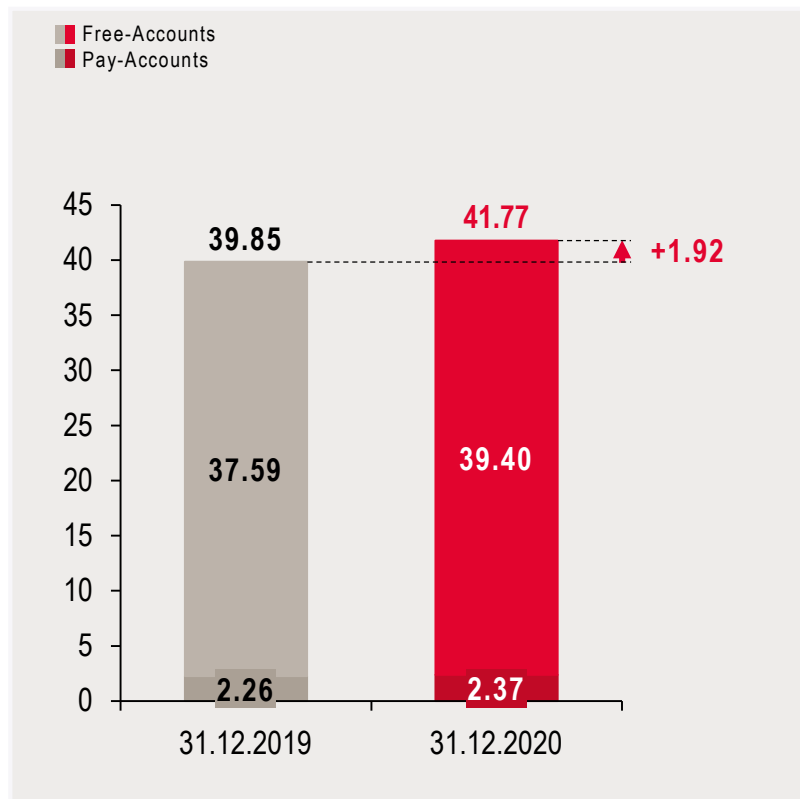
	email*	eIDAS/ De-Mail	Cloud storage*	Content*	ID
	#1	#1	#2	#1	#3
	#2	–	#1	–	#1
	#3	#2	#8	#3	n.a.
	#4	–	#5	#26	n.a.
	n.a.	–	n.a.	n.a.	#2

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

* E-Mail and Cloud storage: Representative survey of Convios Consulting on behalf of United Internet, 2020 (privately most used e-mail / cloud provider in Germany)
Content: die medienanstalten, MedienVielfaltsMonitor 2020-I, Marktanteile Onlinemedien

CONSUMER APPLICATIONS: ACCOUNTS

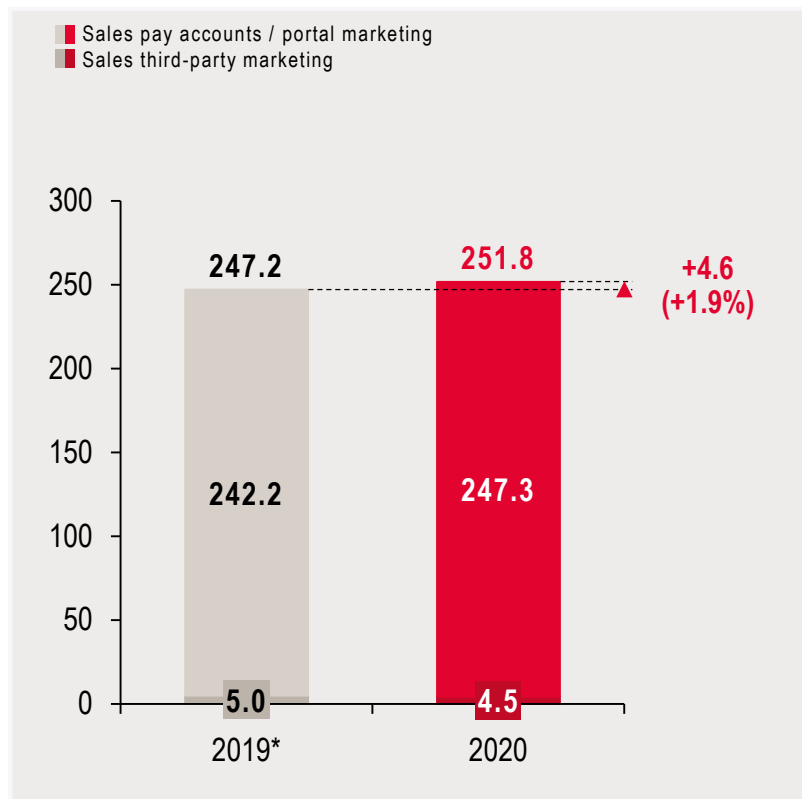
(in million)



- 41.77 million consumer accounts (+ 1,920,000), thereof
 - 39.40 million free accounts (+ 1,810,000)
 - 2.37 million pay accounts (+ 110,000)
- 26.7 million with mobile usage (+ 2,100,000)
- 20.7 million with cloud storage (+ 1,300,000)

CONSUMER APPLICATIONS: REVENUES

(acc. to IFRS in € million)

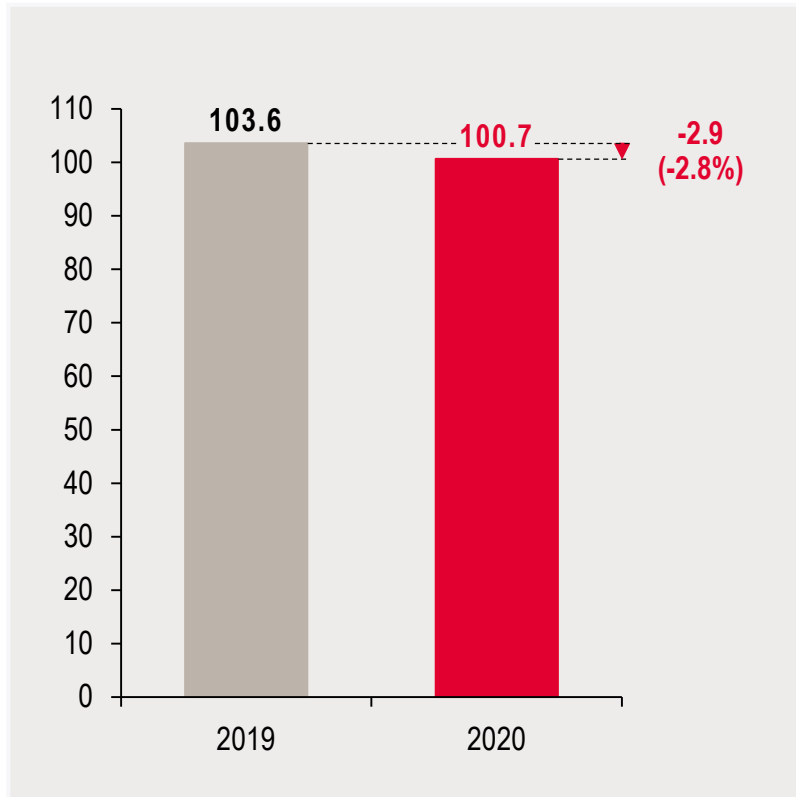


- + 1.9% revenues to € 251.8 million
 - + 2.1% in the core business with pay accounts and portal marketing
 - - 10.0% in the area of low-margin third-party marketing

* Revenues in 2019 after conversion of third-party marketing revenues from gross to net disclosure in 2020; values booked in 2019 based on gross disclosure: € 12.8m third-party revenues or € 255.0m total revenues

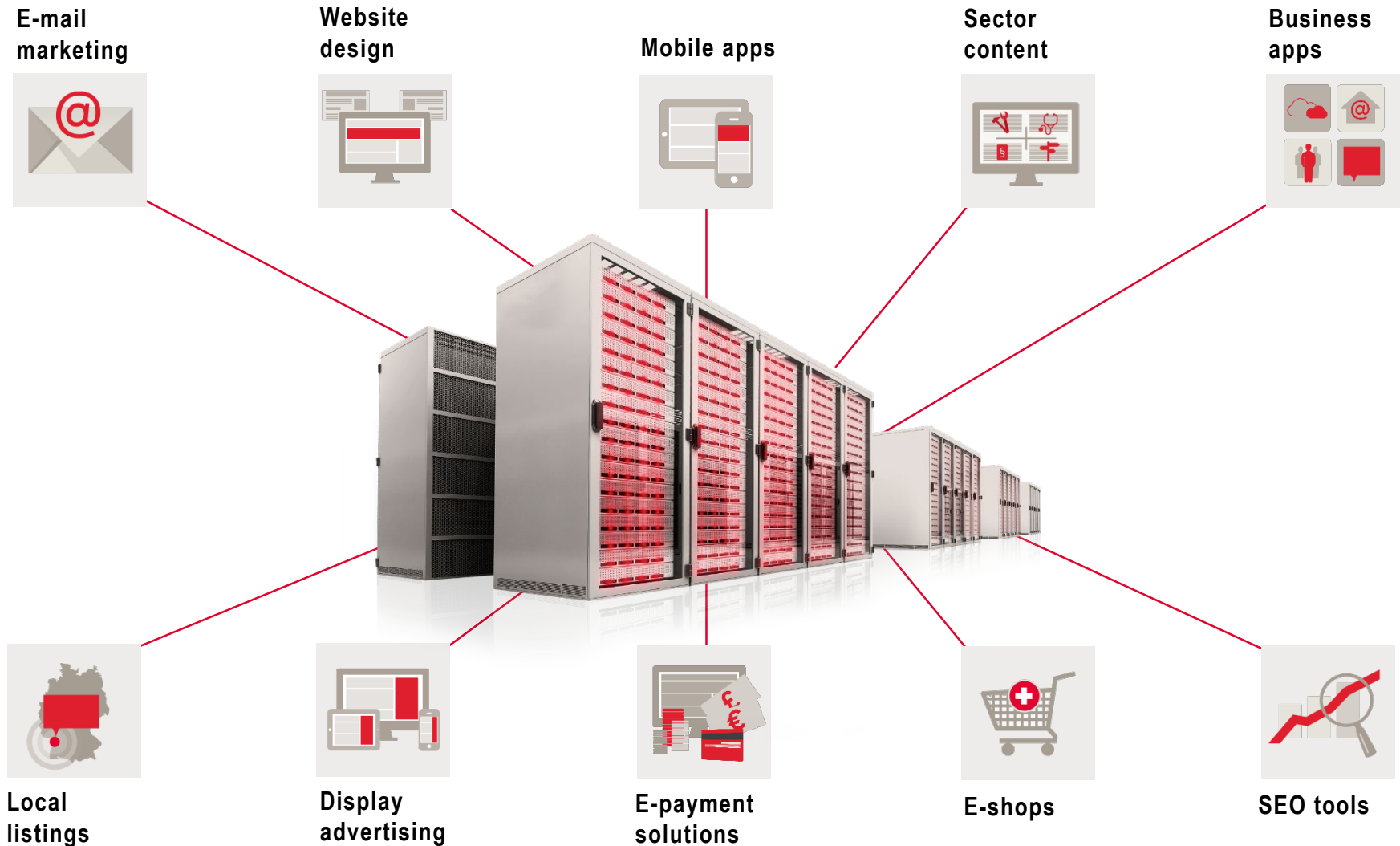
CONSUMER APPLICATIONS: EBITDA

(acc. to IFRS in € million)



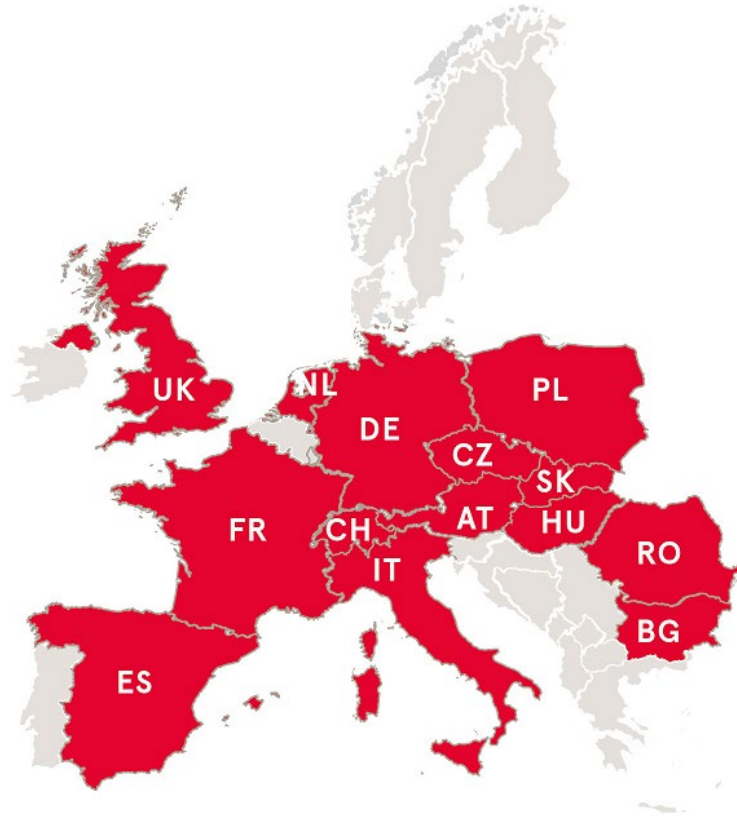
- - 2.8% EBITDA to € 100.7 million
- 31.4% EBITDA margin (prior year: 34.7%)

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



BUSINESS APPLICATIONS: ASSETS

- Leading European provider
- Active in 17 countries: #1 in Germany, Spain, Poland and Austria, #2 in UK and France*

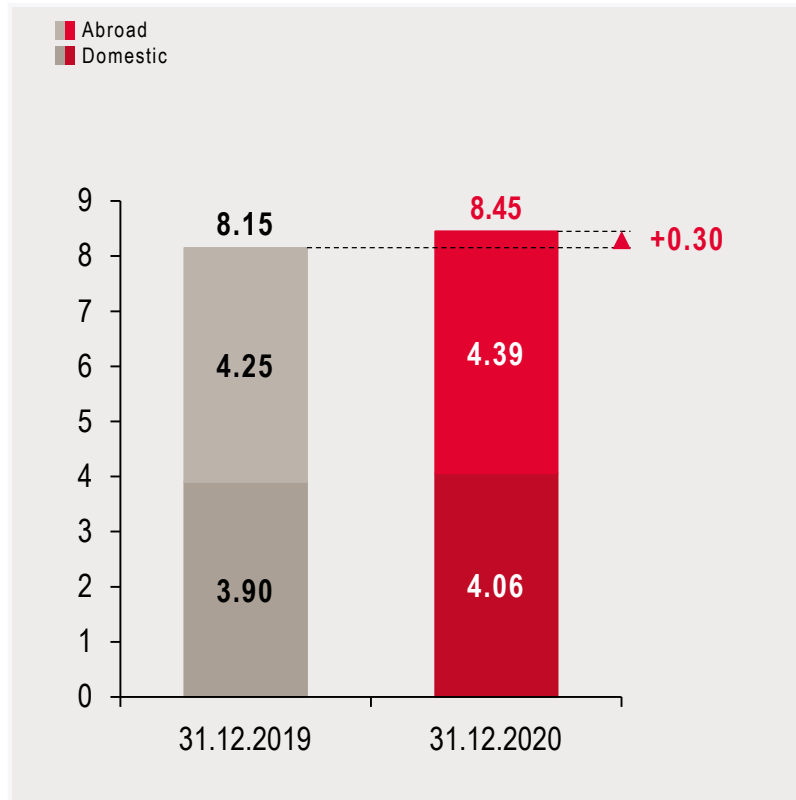


- Broad product portfolio
- In-house developments and cooperation with development partners
- Powerful data centers

* Based on ccTLDs

BUSINESS APPLICATIONS: CUSTOMER CONTRACTS

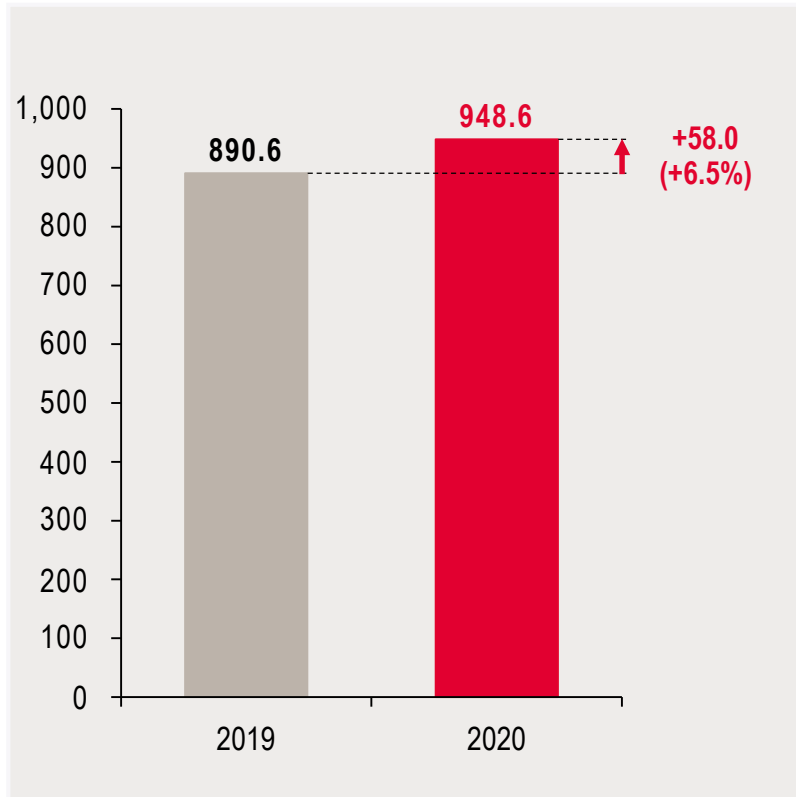
(in million)



- 8.45 million customer contracts (+ 300,000)
 - 4.39 million abroad (+ 140,000)
 - 4.06 million domestic (+ 160,000)

BUSINESS APPLICATIONS: REVENUES

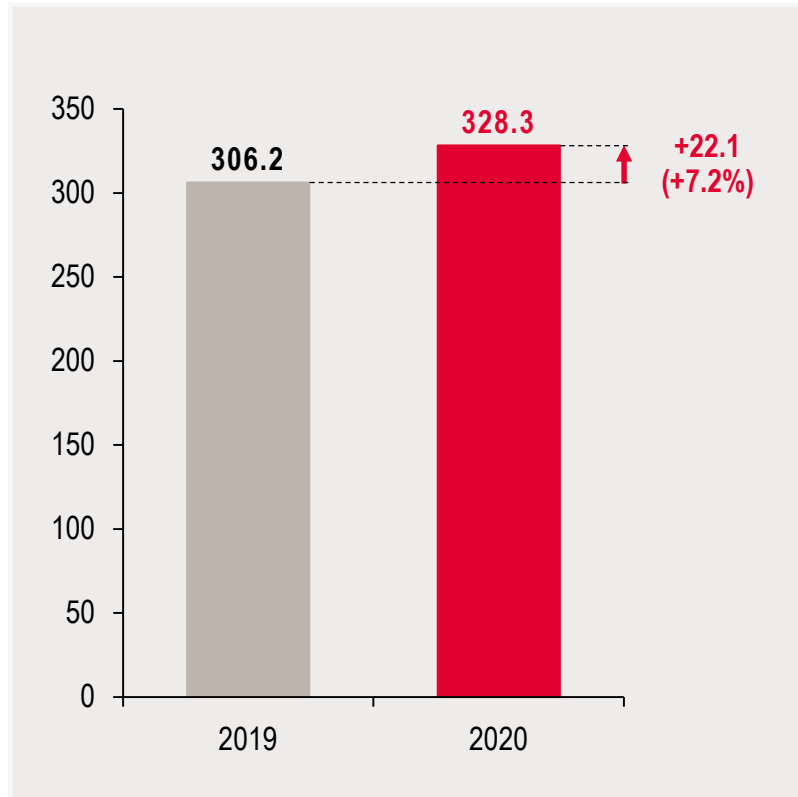
(acc. to IFRS in € million)



- + 6.5% revenues to € 948.6 million
 - Customer growth
 - Increased up- and cross selling
 - High growth in the cloud infrastructure business and domain parking business

BUSINESS APPLICATIONS: EBITDA

(acc. to IFRS in € million)



- + 7.2% EBITDA to € 328.3 million
 - Thereof € 90.2 million marketing expenses (prior year: € 97.0 million, thereof € 19.2 million rebranding)
- 34.6% EBITDA margin (prior year: 34.4%)

GROUP: KPIs 2020

- + 910,000 customer growth to 25.65 million contracts

Revenue and earnings figures (in € million)	2019	2020	Change
Revenue	5,194.1	5,367.2	+ 3.3%
EBITDA*	1,244.2	1,048.9	- 15.7%
EBIT*	770.2	574.9	- 25.4%

- Effects on earnings in the prior period:
 - - € 129.9 million derecognition for unused VDSL contingents
 - - € 34.4 million excessive Telefónica wholesale billing (“non-periodic” in 2021)
 - - € 27.2 million burdens on earnings due to the coronavirus pandemic
 - - € 13.9 million initial 5G costs (prior year: - € 5.7 million)
 - - € 13.7 million from regulation of subscriber line charges (TAL) and SMS EU in 2019
 - - € 1.1 integration costs (prior year: - € 3.2 million)

➔ + 1.3% comparable EBITDA

➔ + 2.1% comparable EBIT

• 2019 without sale of virtual minds (EBITDA and EBIT effect: + € 21.5 million) and brand value write-ups Strato (EBIT effect: + € 19.4 million)

OUTLOOK 2021

OUTLOOK 2021

- Revenues: approx. € 5.5 billion (2020: approx. € 5.367 billion)
- EBITDA: approx. € 1.22 billion (2020: approx. € 1.048 billion)
- Included in EBITDA 2021:
 - approx. - € 25.0 million effects from the coronavirus pandemic
 - approx. - € 30.0 million start-up costs for the 5G network (1&1 Drillisch)
 - approx. - € 40.0 million product / sales offensive with focus in cloud business and further internationalization
- Not included in EBITDA 2021:
 - approx. + € 34.4 million positive effects from retroactive price adjustments for MBA MVNO wholesale payments (expected as “non-periodic” in 2021)

RESULTS 2020

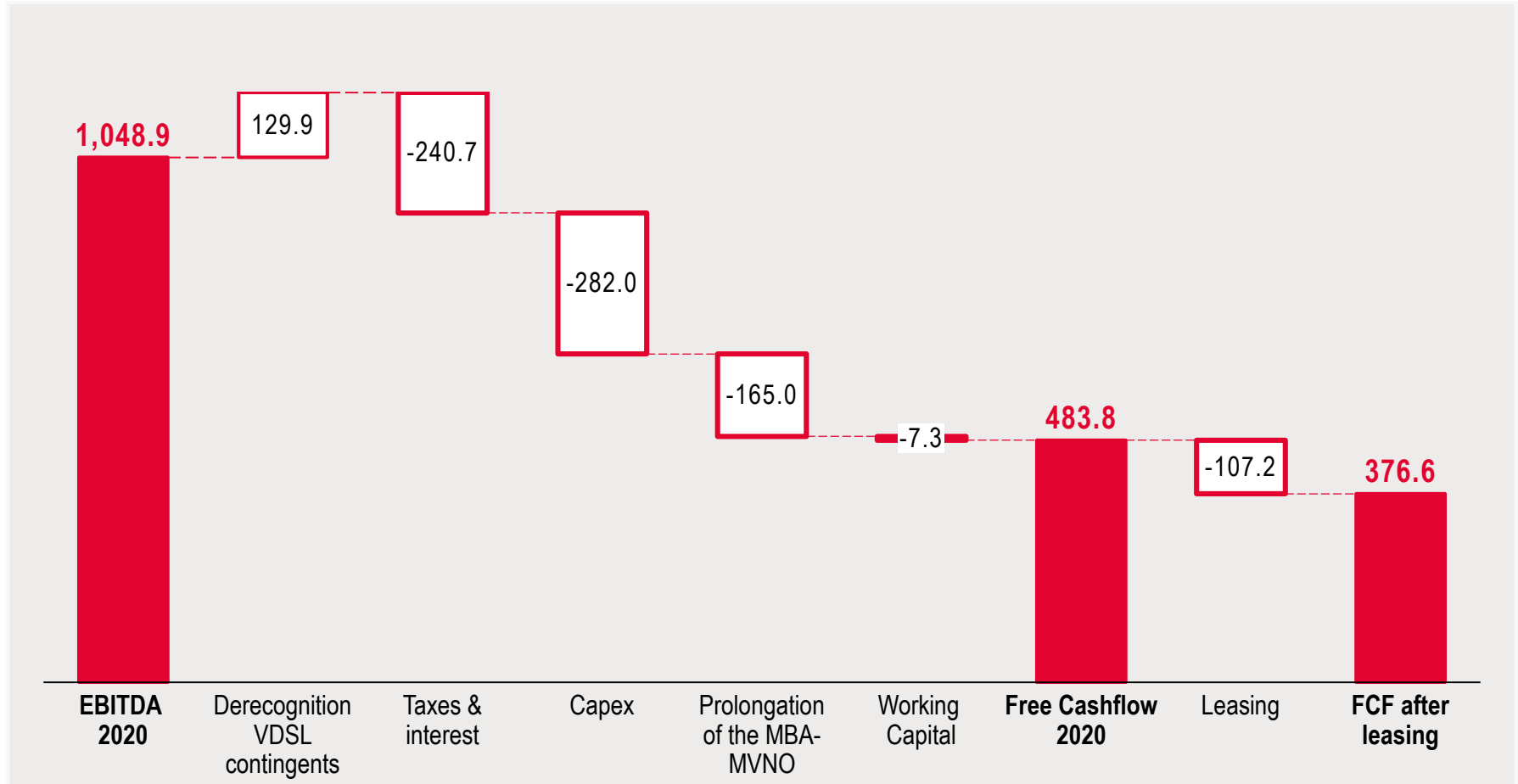
GROUP: KEY FIGURES AS OF DECEMBER 31, 2020

Contracts in million / P&L KPIs acc. to IFRS in € million	31.12.2019	31.12.2020	Change
Fee-based customer contracts	24.74	25.65	+ 0.91
Ad-financed free accounts	37.59	39.40	+ 1.81
Revenue	5,194.1	5,367.2	+ 3.3%
EBITDA	1,244.2*	1,048.9	- 15.7%
EBIT	770.2*	574.9	- 25.4%
EBT	720.3*	556.2	- 22.8%
EPS in €	1.88*	1.55	- 17.6%

- 2019 without sale of virtual minds (EBITDA, EBIT and EBT effect: + € 21.5 million; EPS effect: + € 0.11), brand value write-ups Strato (EBIT and EBT effect: + € 19.4 million; EPS effect: € +0.05) and write-ups Tele Columbus (EBT effect: € + 18.5 million; EPS effect: +0.09 €)

GROUP: EBITDA / FREE CASHFLOW BRIDGE AS OF DECEMBER 31, 2020

(acc. to IFRS in € million)



GROUP: BALANCE SHEET AS OF DECEMBER 31, 2020 (I)

(acc. to IFRS in € million)

Assets	31.12.2019	31.12.2020	Explanation
Property, plant and equipment / intangible assets	3,328.0	3,469.4	▪ Extension of the MBA MVNO contract
Goodwill	3,616.5	3,609.4	▪ Mainly unchanged
Financial assets	286.5	99.5	▪ In particular, reallocation of Tele Columbus and sale of Afiliás shares
Accounts receivable	403.7	398.8	▪ Mainly unchanged
Contract assets	682.1	774.1	▪ Update of contract assets
Inventories and deferred expenses	600.6	444.6	▪ Derecognition for unused VDSL contingents
Income tax claims and other assets	93.8	179.7	▪ In particular, claims tax authorities
Assets held for sale		124.0	▪ Reclassification Tele Columbus
Cash and cash equivalents	117.6	131.3	▪ Increase due to the reporting date
Total	9,128.8	9,230.8	

GROUP: BALANCE SHEET AS OF DECEMBER 31, 2020 (II)

(acc. to IFRS in € million)

Debt and Equity	31.12.2019	31.12.2020	Explanations
Equity	4.614,7	4.911,2	▪ Equity ratio: 53.2%, + 2.6 pp
Liabilities to banks	1.738,4	1.466,1	▪ Net debt: € 1,334.8 million (December 31, 2019: € 1,620.8 million)
Trade accounts payable	481,6	538,8	▪ Increase due to the reporting date
Contract liabilities	184,8	185,7	▪ Mainly unchanged
Accrued taxes and deferred liabilities	443,5	446,3	▪ Mainly unchanged
Other accrued liabilities / other liabilities	1.665,8	1.682,7	▪ Increase in particular due to new long-term leases (office buildings)
Total	9.128,8	9.230,8	

UNITED INTERNET AG

**Our success story
continues!**