

**UNITED INTERNET AG**

**Analyst and Investor**

**Webcast – 9M Results 2022**

**Montabaur,  
November 10, 2022**



# KPIs 9M 2022

- 27.11 million customer contracts: +430,000 in the first 9 months 2022

Revenues and earnings figures (in € million)	9M 2021	9M 2022	Change
Revenues	4,167.9	4,384.3	+5.2%
EBITDA <sup>(1)</sup>	952.1	983.3	+3.3%
EBIT <sup>(1)</sup>	601.5	622.0	+3.4%
EBT <sup>(1)</sup>	578.1	569.1	-1.6%
EPS <sup>(1)</sup> (in €)	1.68	1.59	-5.4%
EPS <sup>(1)</sup> before PPA (in €)	1.97	1.89	-4.1%

- EBITDA <sup>(1)</sup> and EBIT <sup>(1)</sup> operative 9M 2022 including:

- € -26.1 million from 1&1 mobile network rollout expenses (prior year: € -24.5 million)
- € -12.6 million from additional marketing activities to increase the IONOS brand awareness
- € -16.3 million from higher electricity costs

- Included in EBT and EPS for 9M 2022

- Lower financial results, e.g. through subsequent valuation financial derivatives (EBT effect: € - 7.1 million (prior year: € + 4.8 million); EPS: € - 0.03 (prior year: € + 0.02))
- Lower at-equity results, e.g. due to pro-rata negative result of Kublai GmbH / Tele Columbus for 9 months (prior year: 5 months) (EBT effect: € - 22.5 million (prior year: € -10.1 million); EPS: € - 0.12 (prior year: € - 0.05))

<sup>(1)</sup> EBITDA / EBIT / EBT operative w/o non-period € 39.4 million from revised Telefonica conditions in 2021 (EPS effect: € 0.11 in 2021), excl. a non-cash valuation effect from derivatives € +12.2 million (prior year: € +3.0 million); EPS effect: € 0.05 (prior year: € 0.01)

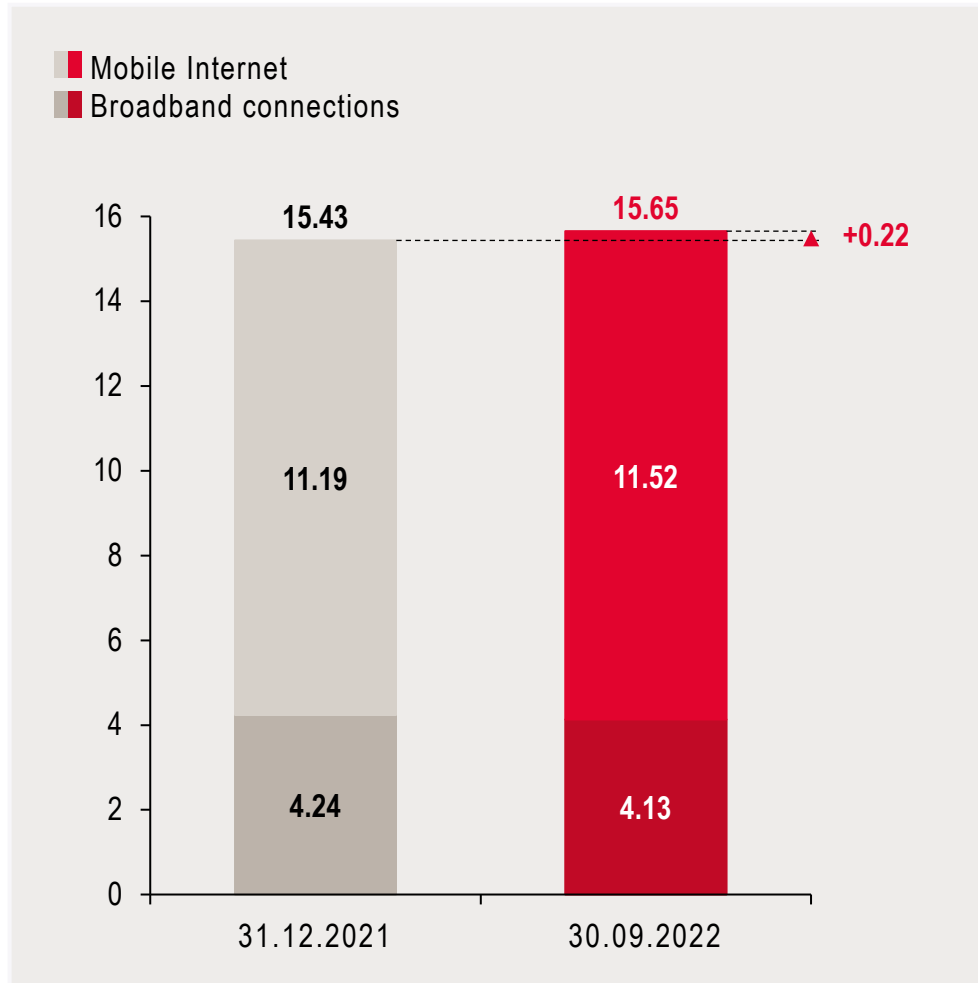
# “ACCESS” IN 9M 2022

- CONSUMER ACCESS
- BUSINESS ACCESS

- CONSUMER APPLICATIONS
- BUSINESS APPLICATIONS

# CONSUMER ACCESS SEGMENT: CUSTOMER CONTRACTS

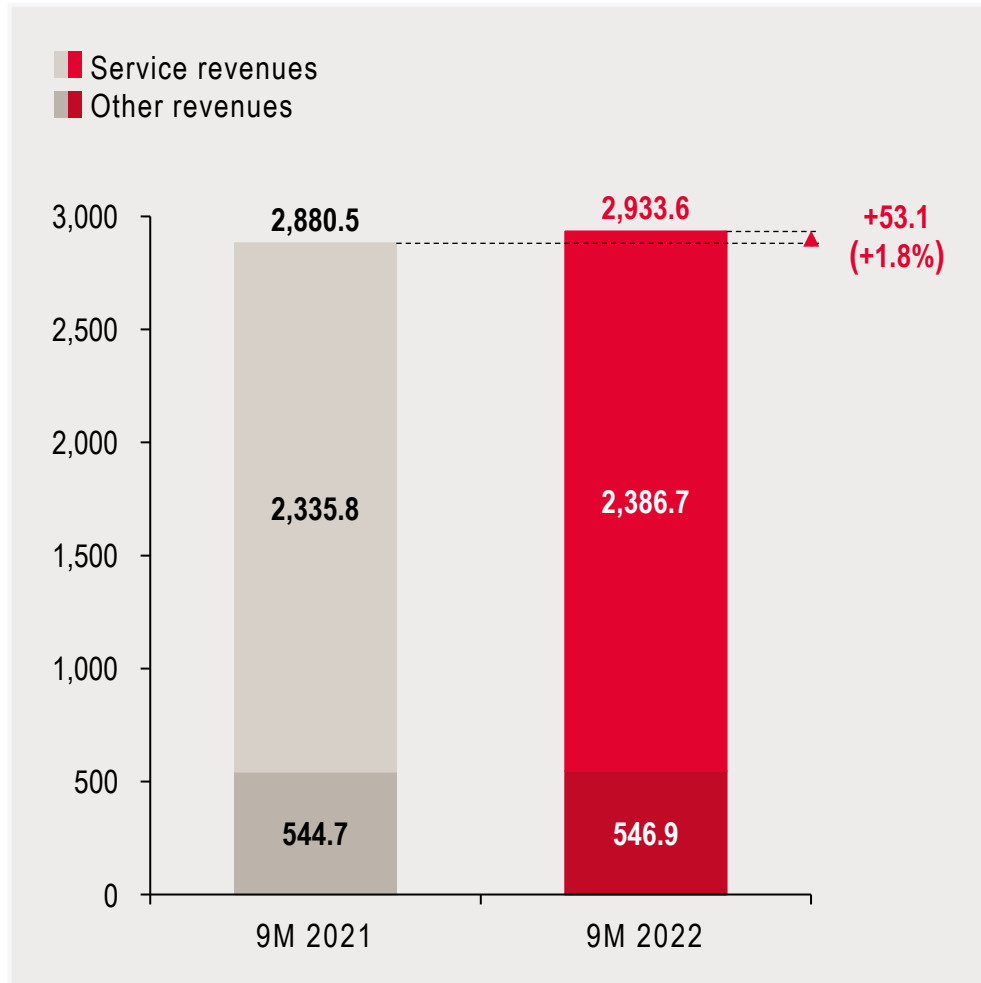
(in million)



- 15.65 million customer contracts (+220,000)
  - 11.52 million mobile internet contracts  
(+ 330,000 contracts, thereof + 480,000 operative and - 150,000 “TKG effect”)
  - 4.13 million broadband connections  
(- 110,000 contracts, thereof - 30,000 operative and - 80,000 “TKG effect”)

# CONSUMER ACCESS SEGMENT: REVENUES

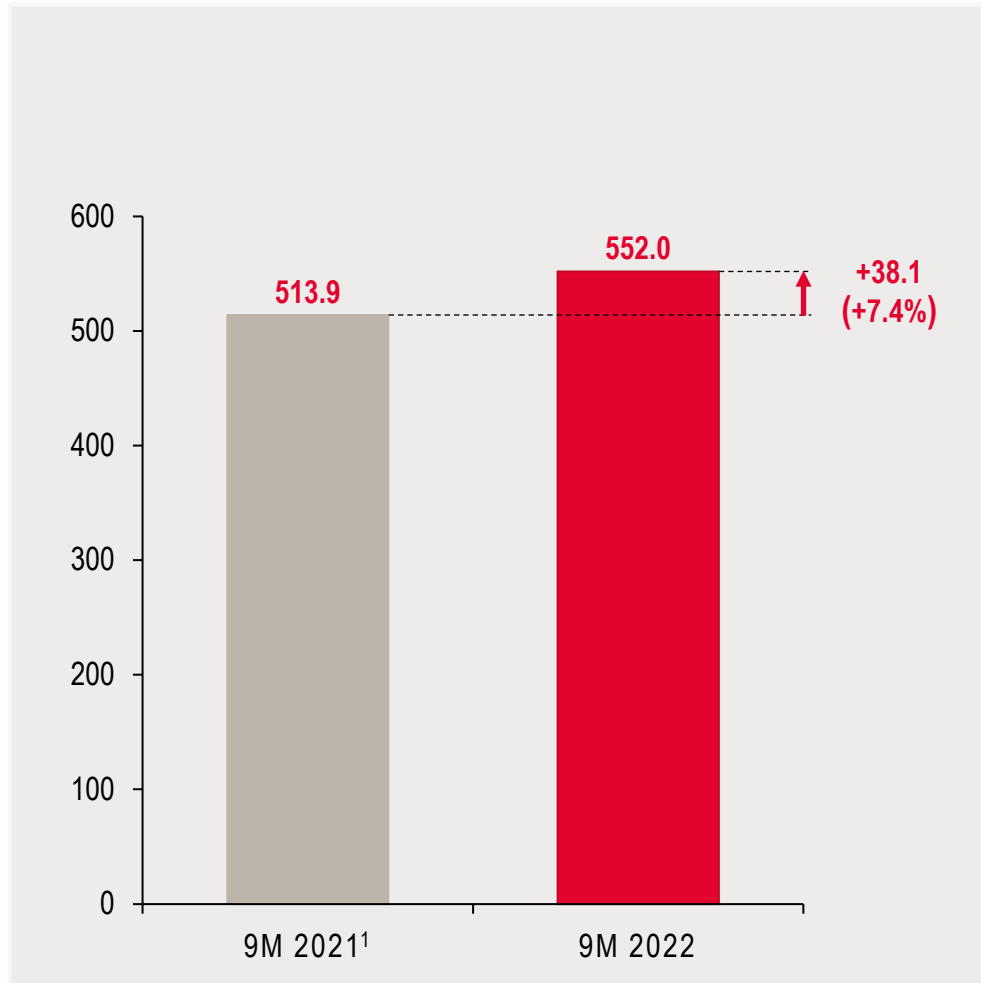
(acc. to IFRS in € million)



- +1.8% revenues to € 2,933.6 million
- +2.2% service revenues to € 2,386.7 million
- +0.4% other revenues (mainly smartphones) to € 546.9 million

# CONSUMER ACCESS (I): EBITDA

(acc. to IFRS in € million)

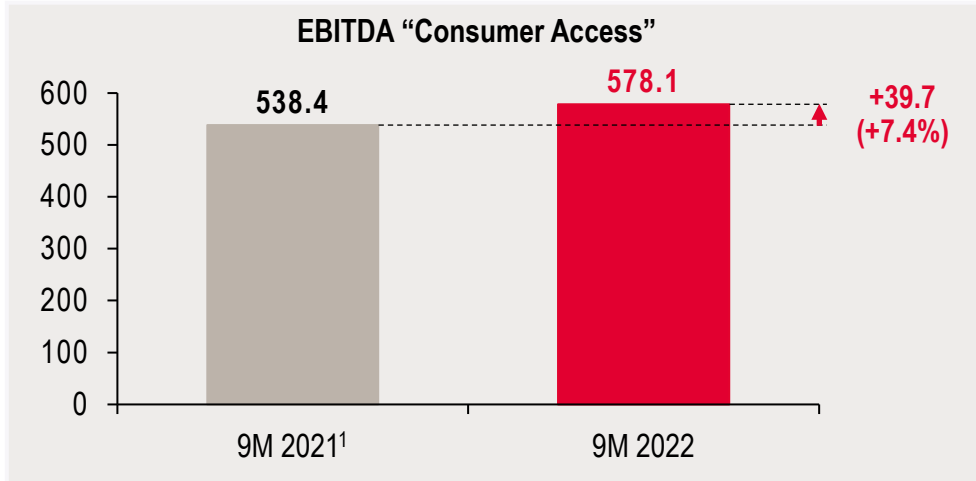


- +7.4% EBITDA from € 513.9<sup>1</sup> million to € 552.0 million
- € - 0.7 million higher electricity costs
- 18.8% EBITDA margin (prior year: 17.8%)

(1) excl. non-period € 39.4 million from revised Telefonica conditions in 2021

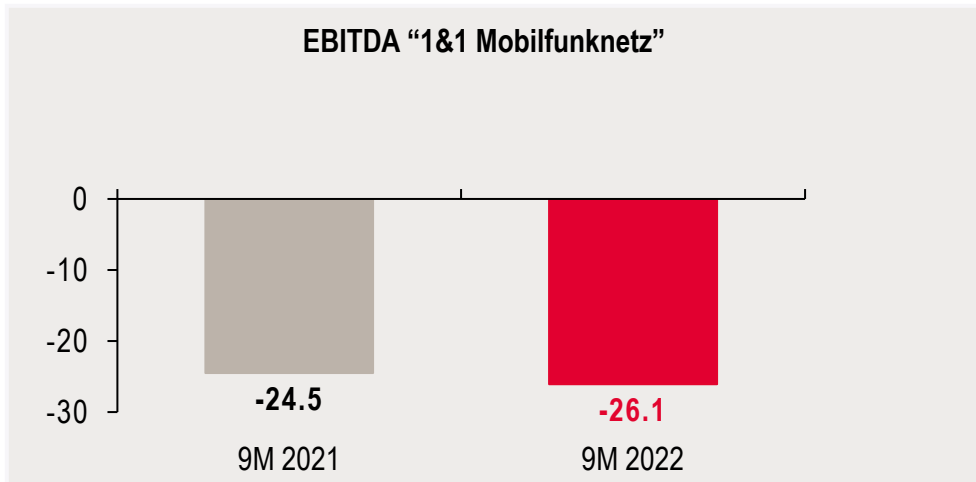
# CONSUMER ACCESS (II): EBITDA OF THE TWO SUBSEGMENTS

(acc. to IFRS in € million)



## "Access"

- +7.4% EBITDA to € 578.1 million
- 19.7% EBITDA margin (prior year: 18.7%)



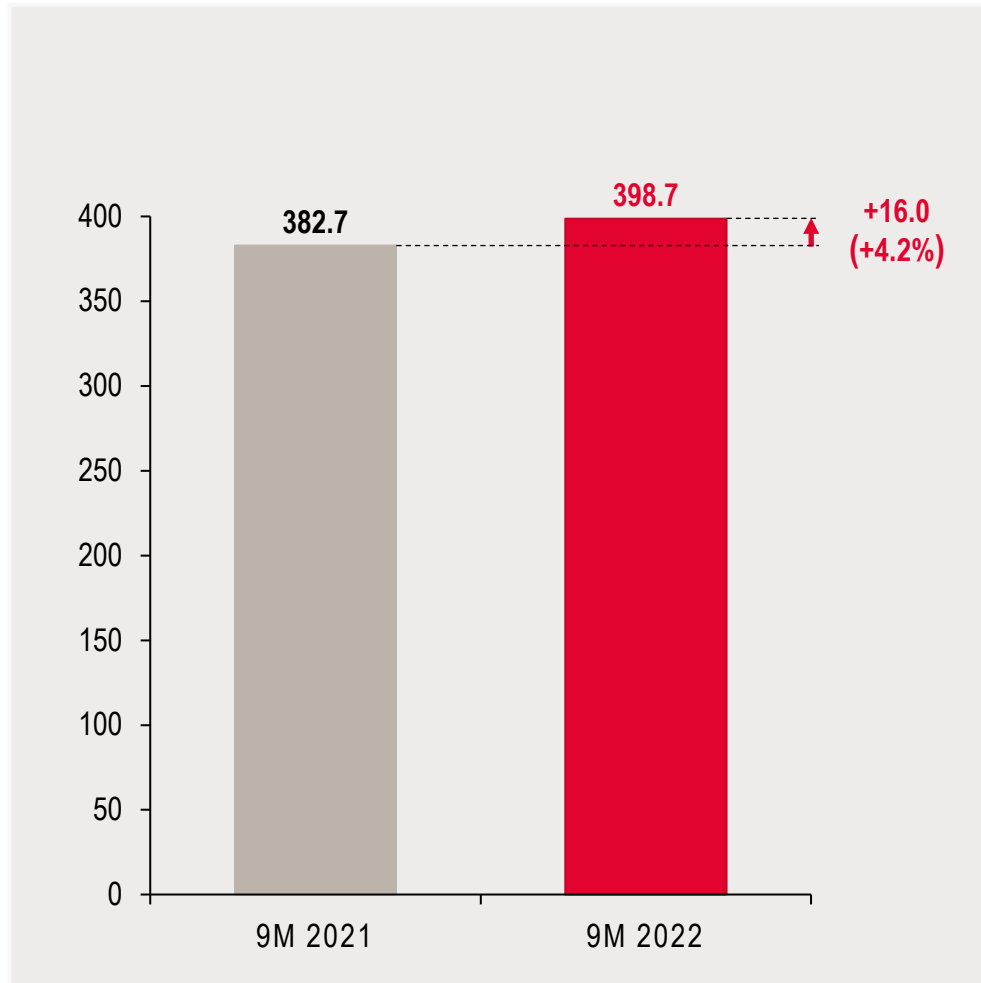
## "1&1 Mobilfunknetz"

- € -26.1 million EBITDA from the initial cost of the 1&1 mobile network rollout (prior year: € -24.5 million)

<sup>(1)</sup> excl. non-period € 39.4 million from revised Telefonica conditions in 2021

# BUSINESS ACCESS SEGMENT: REVENUES

(acc. to IFRS in € million)

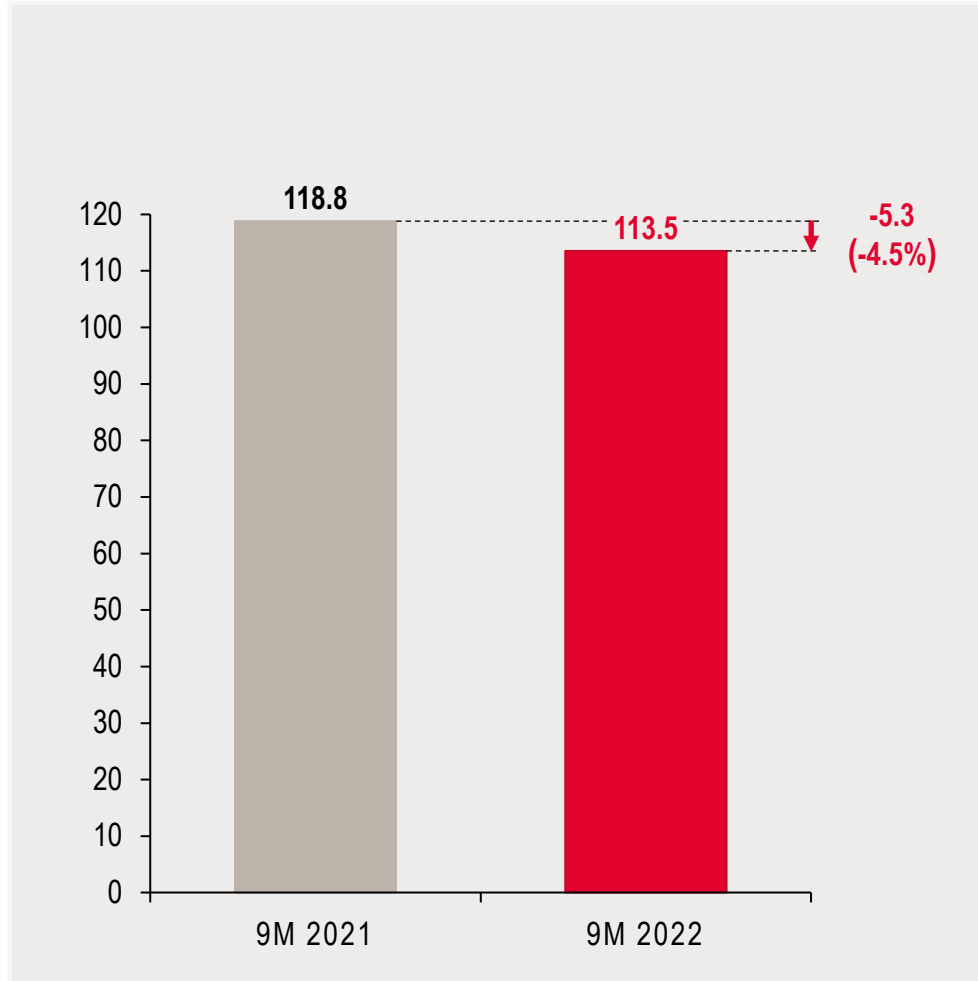


- +4.2% revenues to € 398.7 million included therein
- € - 4.8 million negative regulatory effects



# BUSINESS ACCESS SEGMENT: EBITDA

(acc. to IFRS in € million)



- -4.5% EBITDA to € 113.5 million
  - € - 7.3 million start-up cost for building the infrastructure for the 1&1 Mobile Network
  - € - 1.6 million SDH migration cost (one-off)
  - € - 1.3 million higher electricity cost
  - ➔ + 4.1% comparable EBITDA
- 28.5% EBITDA margin (prior year: 31.0%)
- FY 2022e: EBITDA slightly below prior years level, due to delay in 1&1 mobile network rollout

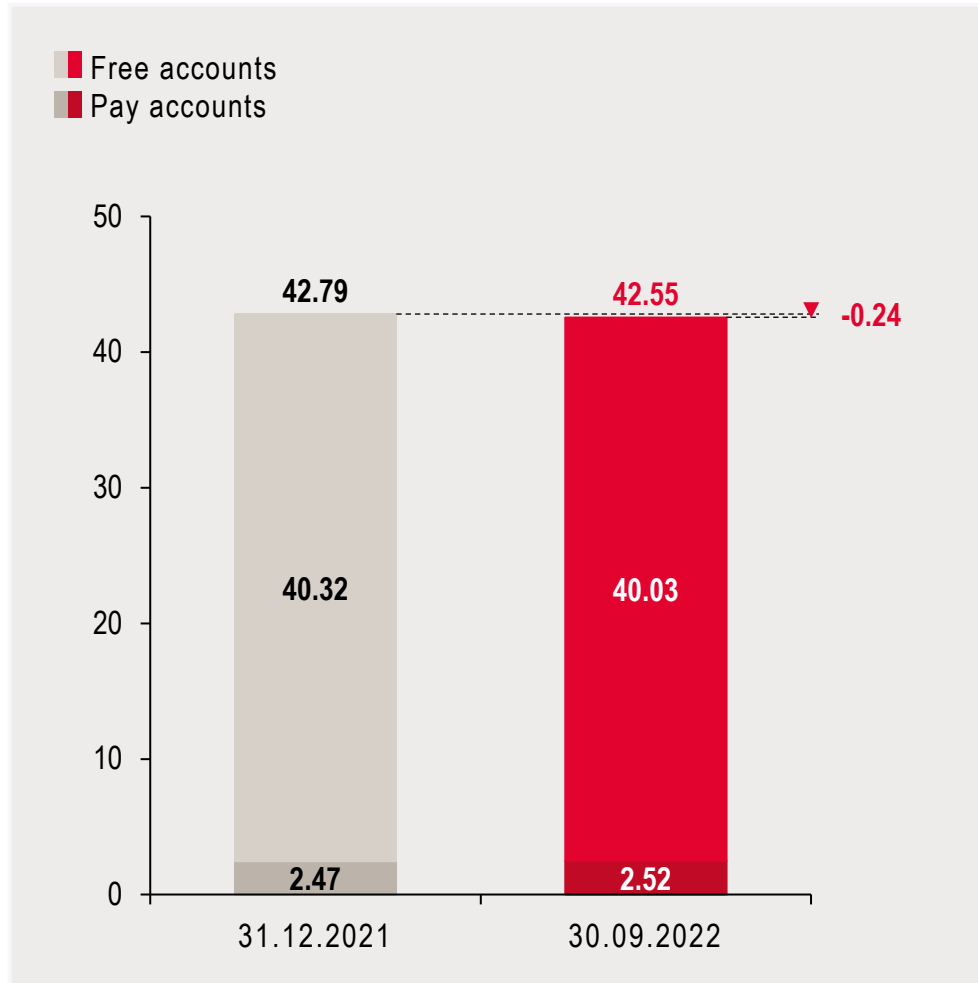
# “APPLICATIONS” IN 9M 2022

- CONSUMER ACCESS
- BUSINESS ACCESS

- CONSUMER APPLICATIONS
- BUSINESS APPLICATIONS

# CONSUMER APPLICATIONS SEGMENT: ACCOUNTS

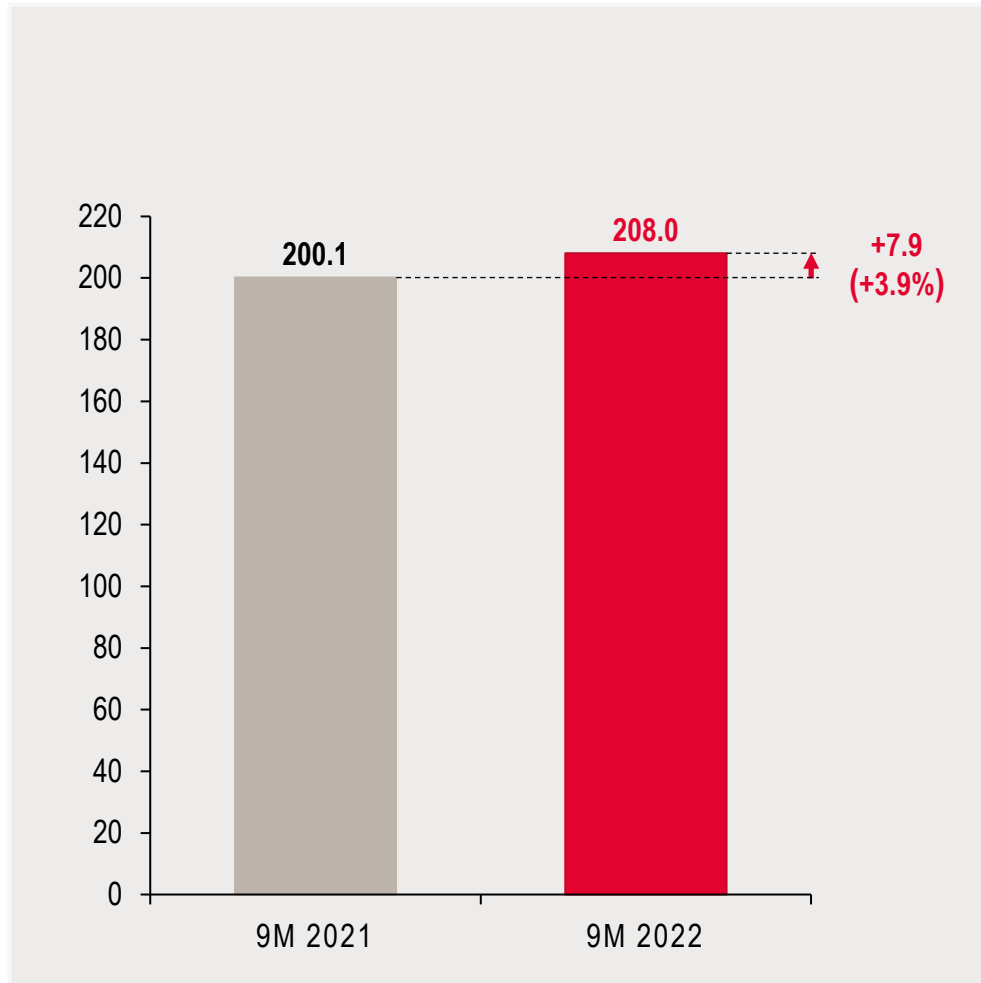
(in million)



- 42.55 million consumer accounts (- 290,000 seasonal; +740,000 compared to prior year), thereof
  - 40.03 million free accounts (-290,000)
  - 2.52 million pay accounts (+50,000)
- 28.1 million with mobile use (+400,000)
- 22.3 million with cloud storage (+500,000)

# CONSUMER APPLICATIONS SEGMENT: REVENUES

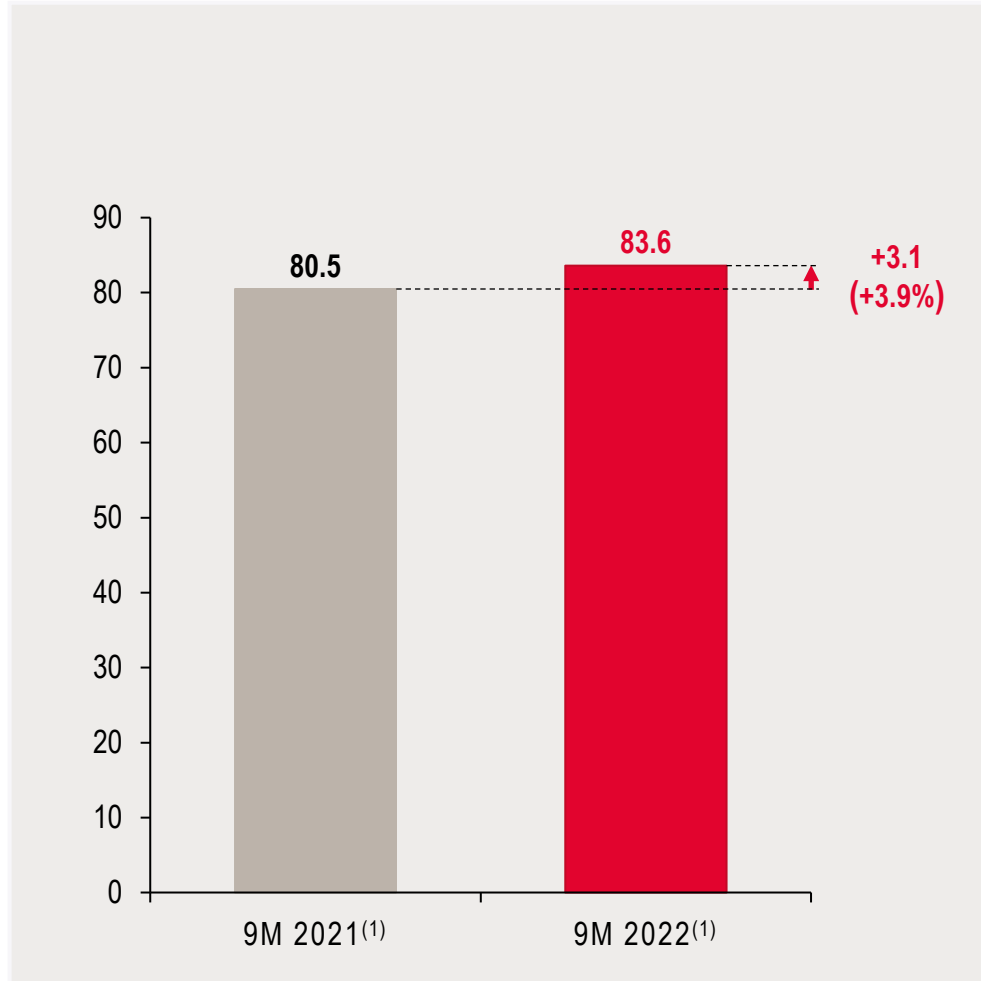
(acc. to IFRS in € million)



- +3.9% revenues to € 208.0 million
  - + 7.5% in Q1 2022
  - + 1.5% in Q2 2022
  - + 3.0% in Q3 2022

# CONSUMER APPLICATIONS SEGMENT: EBITDA

(acc. to IFRS in € million)

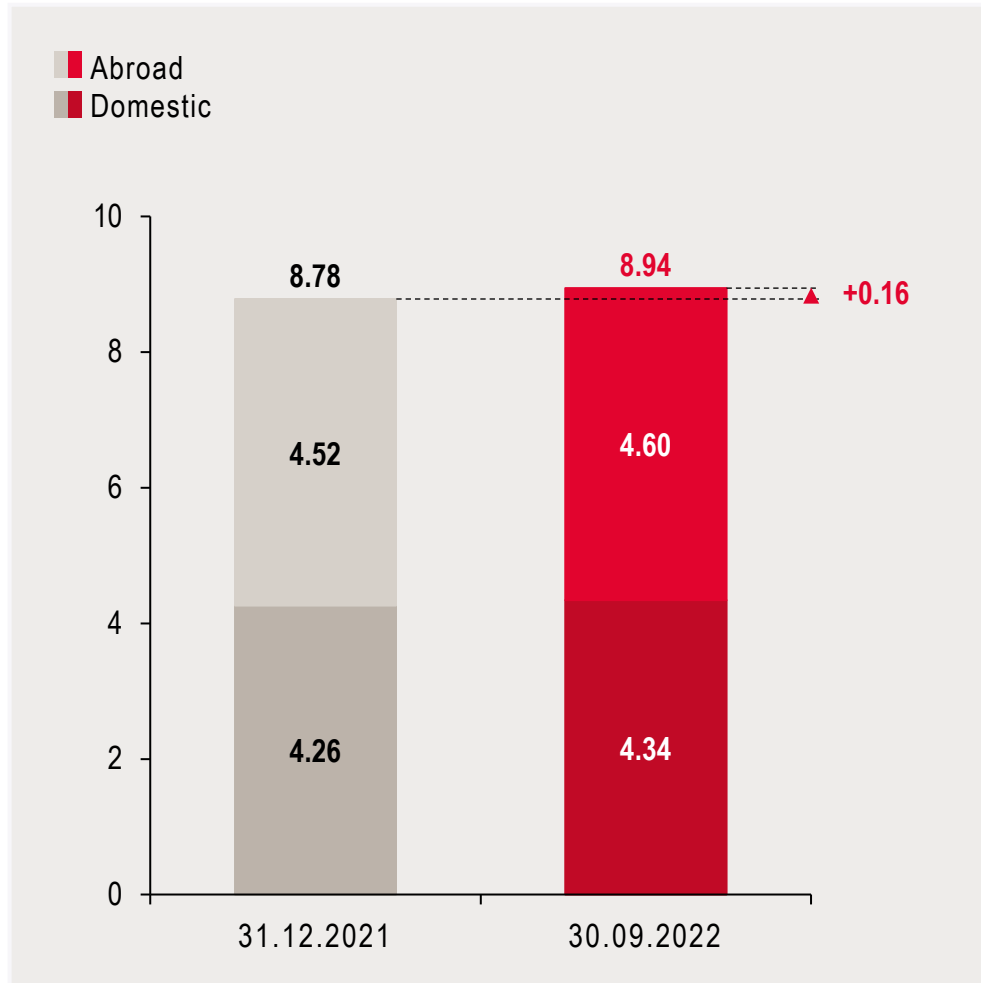


- +3.9% EBITDA<sup>(1)</sup> to € 83.6 million, included therein
  - € - 2.4 million higher electricity costs
  - ➔ + 6.8% comparable EBITDA
- 40.2% EBITDA margin (prior year: 40.2%)

<sup>(1)</sup> excl. a non-cash valuation effect from derivatives EBITDA effect: € +12.2 million (prior year: € +3.0 million)

# BUSINESS APPLICATIONS SEGMENT: CUSTOMER CONTRACTS

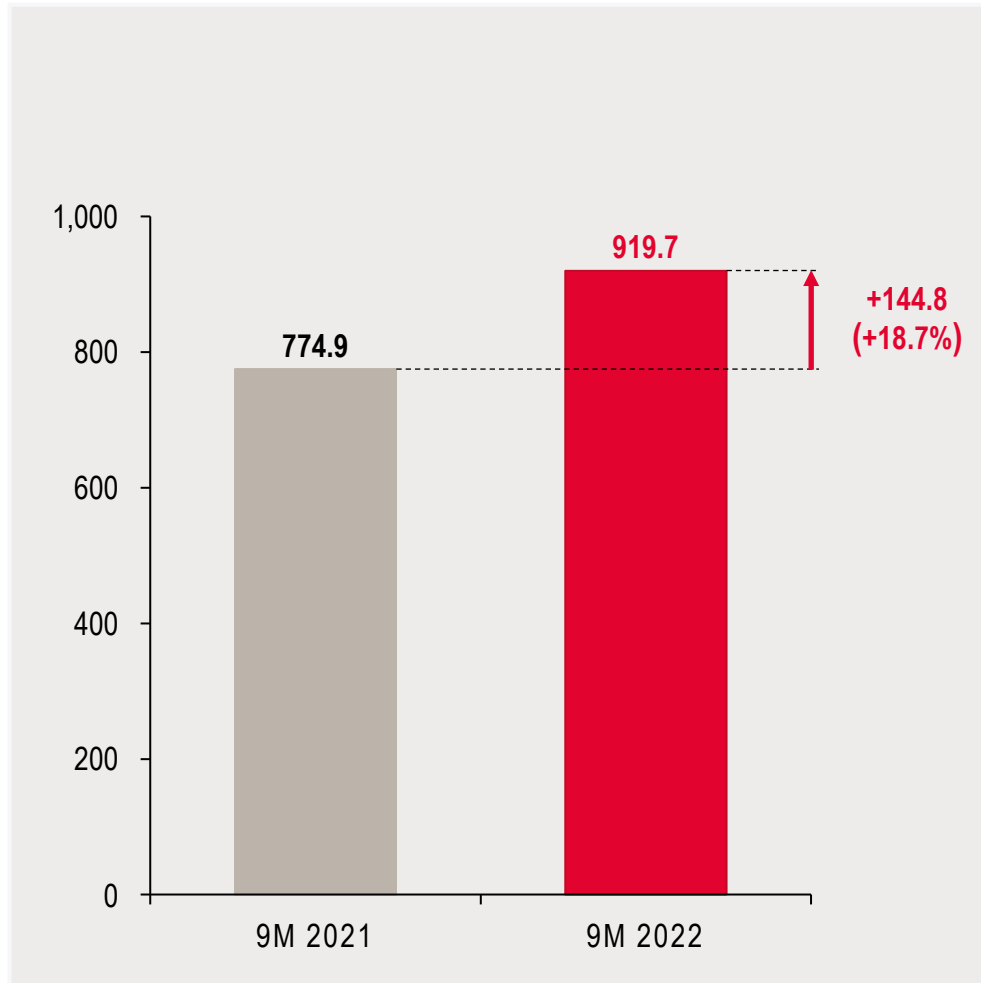
(in million)



- 8.94 million customer contracts (+160,000)
  - 4.60 million abroad (+80,000)
  - 4.34 million domestic (+80,000)

# BUSINESS APPLICATIONS SEGMENT: REVENUES

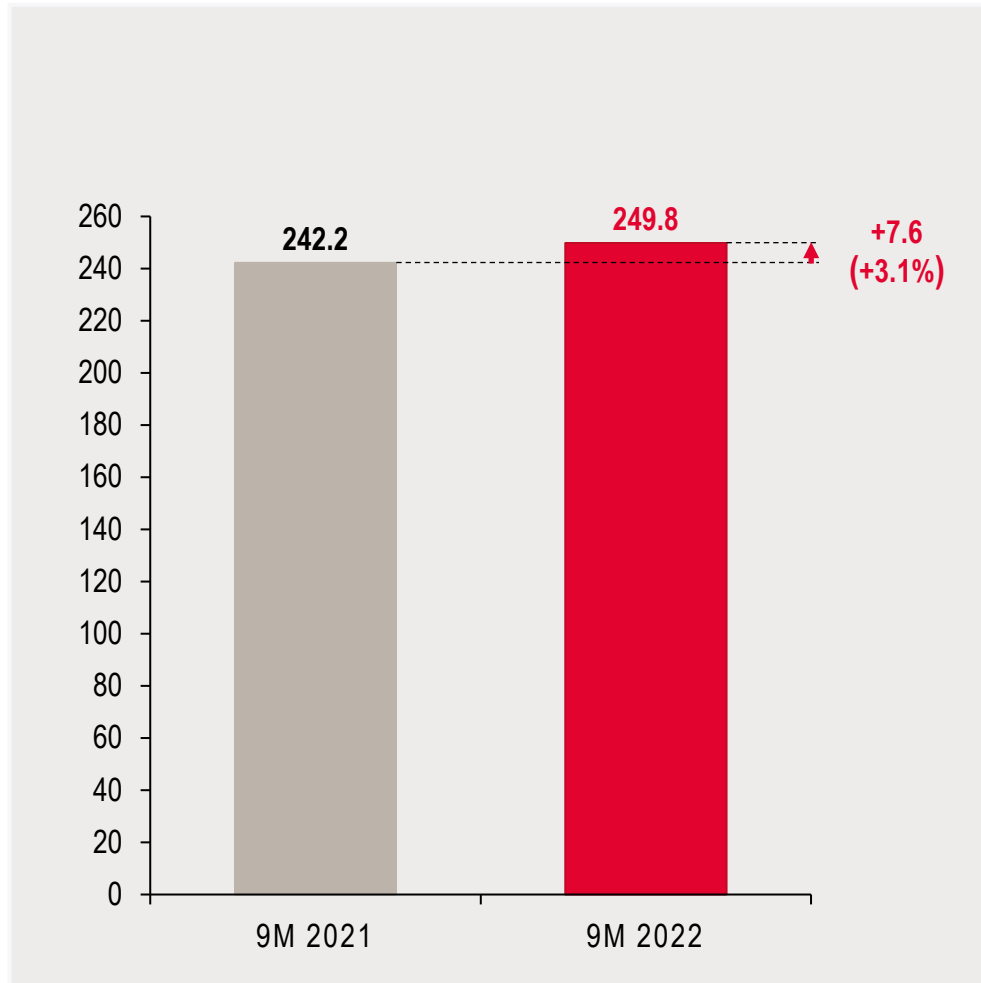
(acc. to IFRS in € million)



- +18.7% revenues to € 919.7 million
  - Customer growth
  - Increased up- and cross-selling
  - Strong growth in aftermarket business (domain trading platform and domain parking at Sedo)
- +7.7% revenues w/o aftermarket business

# BUSINESS APPLICATIONS SEGMENT: EBITDA

(acc. to IFRS in € million)



- +3.1% EBITDA to € 249.8 million, included therein
  - € - 12.6 million additional marketing activities
  - € - 11.9 million higher electricity cost
- ➔ + 13.3% comparable EBITDA
- 27.2% EBITDA margin (prior year: 31.3%)



# KEY FINANCIAL KPIs 9M 2022

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

	9M 2021	9M 2022	Change
Revenues	4,167.9	4,384.3	+5.2%
EBITDA <sup>(1)</sup>	952.1	983.3	+3.3%
Capex	203.9	348.6	+71.0%
Free cash flow <sup>(2)</sup>	253.1	-38.4	-
Free cash flow operative <sup>(2)(3)</sup>	253.1	58.8	-76.8%

	31.12.2021	30.09.2022	Change
Fee-based customer contracts	26.68	27.11	+1.6%
Ad-financed free accounts	40.32	40.03	-0.7%
Net bank liabilities	1,712.6	1,859.7	+8.6%
Equity ratio	50.9%	52.2%	+1.3 Ppt.

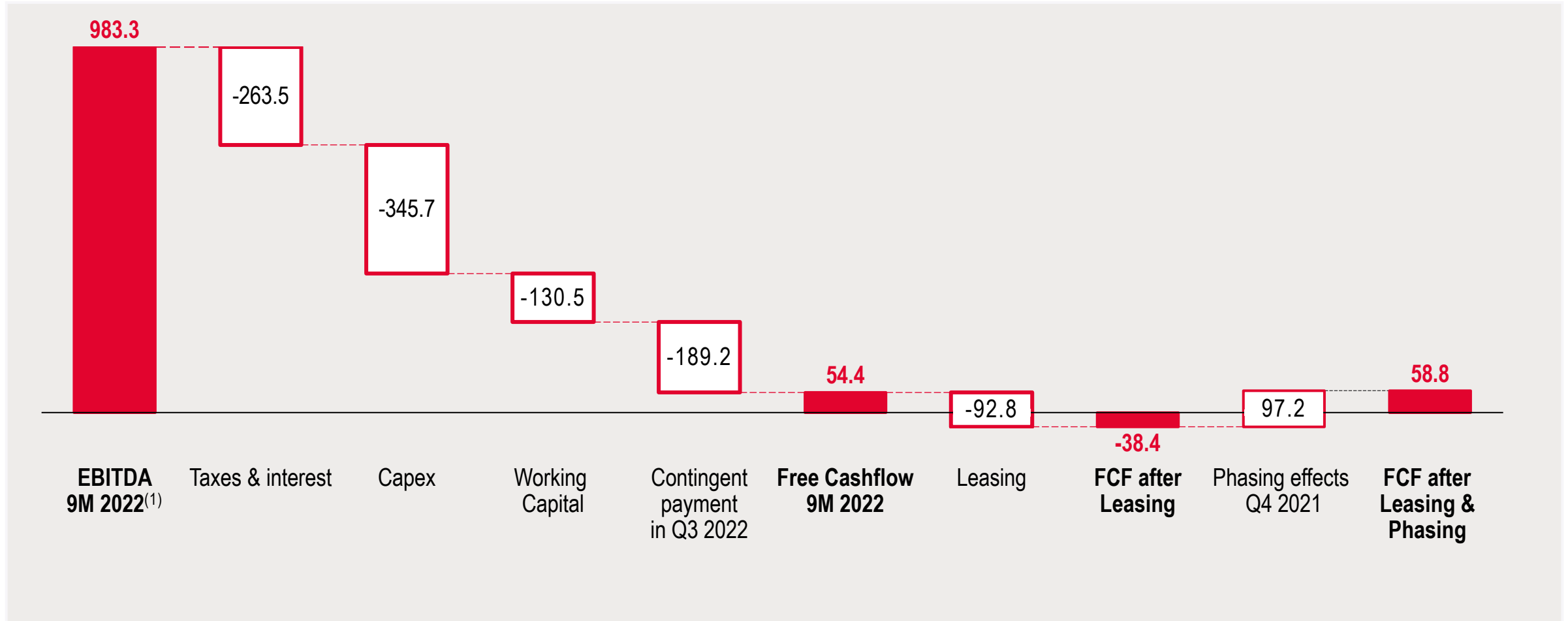
<sup>(1)</sup> EBITDA operative w/o non-period € 39.4 million from revised Telefonica conditions in 2021 and w/o non-cash valuation effect from derivatives (€ +3.0 million in 9M 2021, € +12.2 million in 9M 2022)

<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 2021 and 2022 including the repayment portion of lease liabilities that have been reported in cash flow from financing activities since FY 2019

<sup>(3)</sup> w/o phasing effects from wholesale payments Q4 2021 in the amount of € 97.2 million

# GROUP: EBITDA / FREE CASH FLOW BRIDGE AS OF SEPTEMBER 30, 2022

(acc. to IFRS in € millions)



<sup>(1)</sup> Excl. a non-cash valuation effect from derivatives € +12.2 million (prior year: € +3.0 million)

# OUTLOOK 2022

# FORECAST 2022

## United Internet refined the guidance for FY 2022 (as of Sept. 30, 2022)

- Revenues: approx. € 5.85 billion (2021: € 5.646 billion)
- EBITDA: approx. € 1.270 billion (2021: € 1.259 billion), included therein
  - Approx. € - 60 million expenses at 1&1 for the development of the mobile network (prev. expected: € - 70 million, 2021: € - 37.9 million)
  - Approx. € - 30 million for additional marketing activities at IONOS to further increase brand awareness in the most important European markets
  - Approx. € - 20 million for higher electricity costs
- CAPEX: € 700 million (prev. expected: € 800 million to € 1 billion, 2021: € 289.8 million), particularly for
  - Construction of the mobile network
  - Expansion of the fiber optic network to supply additional expansion areas and to connect mobile communications antennas

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