

## United Internet with successful Q1 2017

- Customer contracts up 190,000 to 17.16 million
- Sales growth of 2.1% to EUR 989.2 million
- EBITDA improves by 6.1% to EUR 215.0 million, EBIT up 8.8% to EUR 167.6 million
- Operating EPS increases by 10.0% to EUR 0.55
- EPS after Rocket Internet value adjustment: EUR 0.46
- Full-year guidance confirmed

**Montabaur, May 12, 2017.** United Internet AG continued its growth in the first quarter of 2017. The company once again posted improvements in its customer contract figures, sales revenues, and key earnings ratios based on operating activities. In addition, the investment of Warburg Pincus in the Business Applications division and the complete takeover of Strato as of April 1, 2017 were successfully closed during the reporting period.

In the first quarter of 2017, growth was driven by the company's subscription business. The number of fee-based customer contracts was increased organically by 190,000 to 17.16 million contracts. This growth was mainly in the Access segment, in which United Internet generated 140,000 new Mobile Internet contracts and 10,000 DSL contracts. In the Applications segment, a further 40,000 pay contracts and 270,000 ad-financed free accounts were added during the reporting period.

Consolidated sales rose by 2.1% in the first quarter of 2017, from EUR 968.6 million in the previous year to EUR 989.2 million. In addition to the burdens from regulation issues already explained in the annual financial statements 2016 (sales effect: approx. -1 percent), sales growth was slowed in particular by expected phasing effects in the project business of 1&1 Versatel. Moreover, advertising revenues from the company's portal business fell short of the budgeted figure and could only be compensated in part by the positive development of its other business fields in line with expectations.

Despite extraordinary burdens from the Telefónica DSL migration, earnings before interest, taxes, depreciation and amortization (EBITDA) improved by 6.1% from EUR 202.7 million in the previous year to EUR 215.0 million. As already disclosed in the annual financial statements 2016, the migration started in the fourth quarter of 2016 was necessitated by Telefónica Deutschland's decision to scale down its own landline network, meaning that it can no longer be considered as a pre-service provider. Earnings before interest and taxes (EBIT) increased by 8.8%, from EUR 154.0 million to EUR 167.6 million.

Group development (in EUR million)	Q1 2016	Q1 2017	Change
Sales	968.6	989.2	+ 2.1%
EBITDA	202.7	215.0	+ 6.1%
EBIT	154.0	167.6	+ 8.8%

## EPS / special items

Earnings per share from operating activities (operating EPS) improved by 10.0%, from EUR 0.50 (comparable prior-year figure) to EUR 0.55. Before amortization of purchase price allocations (PPA), which mainly relate to the Versatel acquisition, EPS rose by 9.3% from EUR 0.54 (comparable prior-year figure) to EUR 0.59.

As in the first quarter of 2016, United Internet wrote down the value of shares held in Rocket Internet SE in its non-operating business in the first quarter of 2017. The impairment charges amounted to EUR 19.8 million. As a result, EPS for the first quarter of 2017 fell in total to EUR 0.46 and EPS before PPA to EUR 0.50. The impairment charges do not impact United Internet's dividend policy nor its guidance for 2017, as these are based on results from operating activities (without special items).

### **Outlook 2017**

Advertising revenues of United Internet's portals in the second quarter so far are within the budgeted range. Against this backdrop, the company can confirm its full-year guidance for fiscal year 2017 and continues to expect an increase in consolidated sales of approx. 7%. EBITDA is still expected to rise by approx. 12%. At the same time, the number of fee-based customer contracts is likely to grow organically by approx. 800,000 contracts. The consolidation of Strato as of April 1, 2017 will add approx. 1.87 million fee-based contracts in the second quarter of 2017.

An overview of all key figures is provided at [www.united-internet.de](http://www.united-internet.de). The Interim Statement for the First Quarter 2017 can also be found here as of May 15, 2017.

### **About United Internet**

With 17.16 million fee-based customer contracts and 34.56 million ad-financed free accounts, United Internet AG is Europe's leading internet specialist. At the heart of United Internet is a high-performance "Internet Factory" with approx. 8,100 employees, of which around 2,600 are engaged in product management, development and data centers. In addition to the high sales strength of its established brands (1&1, GMX, WEB.DE, Strato, united-domains, Fasthosts, Arsys, home.pl, InterNetX, Sedo, affilinet and 1&1 Versatel), United Internet stands for outstanding operational excellence with over 51 million customer accounts worldwide.

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