

PRESS RELEASE

United Internet with successful first nine months 2019

- Customer contracts: + 660,000 to 24.51 million contracts
- Sales: + 1.7% to EUR 3.881 billion
- EBITDA: + 7.9% to EUR 944.0 million acc. to IFRS 16 (prior year: EUR 874.6 million acc. to IFRS 15); comparable growth acc. to IFRS 15: + 0.5%
- Earnings per share: EUR 1.35, without Tele Columbus impairment EUR 1.50 EUR (+ 9.5%)

Montabaur, November 12, 2019. In the first nine months of 2019, United Internet made further investments in sustainable growth. All in all, the number of fee-based customer contracts was raised by 660,000 to 24.51 million contracts.

Consolidated sales grew by 1.7% in the first nine months of 2019, from EUR 3,815.9 million in the previous year to EUR 3,880.8 million. This at first glance only moderate growth was due in particular to fluctuations during the year in (low-margin) hardware sales in the mobile communications business (EUR -38.1 million compared to the previous year), as well as sales effects from increased demand for LTE tariffs among existing customers (sales reduced by EUR -38.7 million due to lower basic prices in the first year of the contract; prior year: EUR -10.6 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) were positively influenced by the initial application of IFRS 16 (EUR +65.3 million) in the first nine months of 2019. There was an opposing effect in the Consumer Access segment in particular from additional costs (EUR -59.0 million) for wholesale purchases of 1&1 Drillisch AG after the time-limited adjustment mechanism of a wholesale agreement expired at the end of 2018. Contrary to original expectations, the expired arrangement was not compensated for by a price reduction during the reporting period following arbitration proceedings.

In addition to these extra costs, future investments (implemented as planned), such as the repositioning in the Consumer Applications segment and increased marketing expenses, especially in connection with the rebranding of the Business Applications segment, had an initial negative effect on earnings. EBITDA rose by 7.9% in the first nine months of 2019, from EUR 874.6 million to EUR 944.0 million (according to IFRS 16). The comparable growth according to IFRS 15 amounted to 0.5%.

Earnings before interest and taxes (EBIT) were virtually unaffected by IFRS 16 accounting and rose by 0.8%, from EUR 582.8 million to EUR 587.6 million. EBIT also includes the above mentioned burdens on earnings and one-offs.

Earnings per share (EPS) rose from EUR 0.29 to EUR 1.35. Both of these EPS figures were burdened by non-cash impairment charges on shares held in Tele Columbus (EPS effect: EUR -1.08 in the previous year and EUR -0.15 in the current reporting period) as a result of closing-

date effects. Adjusted for these impairment charges, operating EPS amounted to EUR 1.50 – an increase of 9.5% over the comparable prior-year figure of EUR 1.37.

An overview of all key figures and the quarterly statement for the first nine months of 2019 are available online at www.united-internet.de.

About United Internet

With over 24 million fee-based customer contracts and around 37 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. 9,250 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 by 1&1, STRATO, 1&1 Versatel and the brands of Drillisch Online), United Internet stands for outstanding operational excellence with more than 61 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 2018 of United Internet AG from page 52 onwards.