

## PRESS RELEASE

### United Internet with successful fiscal year 2021

- Customer contracts: + 1.03 million to 26.68 million contracts
- Sales: + 5.2% to EUR 5.646 billion
- Operating EBITDA: + 3.4% to EUR 1.259 billion – despite higher investments in future topics by 1&1 and IONOS
- Operating EBIT: + 5.6% to EUR 785.6 million
- Operating EPS: + 12.3% to EUR 2.10
- Dividend proposal: unchanged at EUR 0.50 per share
- Sales guidance 2022 updated: approx. EUR 5.85 billion, previous guidance EUR 5.80 billion (prior year: EUR 5.646 billion)

**Montabaur, March 17, 2022.** United Internet AG can look back on a successful fiscal year 2021. The company made further investments in new customer contracts and the expansion of its existing customer relationships, and thus in sustainable growth. All in all, the number of fee-based customer contracts was raised by 1.03 million to a current 26.68 million contracts. Of this total, 600,000 contracts were added in the Consumer Access segment and 330,000 contracts in the Business Applications segment. A further 100,000 contracts were added in the Consumer Applications segment as well as 920,000 ad-financed free accounts.

Consolidated sales grew by 5.2% in the fiscal year 2021, from EUR 5,367.2 million to EUR 5,646.2 million.

EBITDA improved strongly from EUR 1,178.8 million in the previous year (without consideration of a write-off in 2020 of VDSL contingents still available with an EBITDA and EBIT effect in 2020 of EUR -129.9 million) to EUR 1,303.7 million in 2021 and EBIT from EUR 704.8 million to EUR 829.9 million. These key earnings figures include a (non-period) positive effect on earnings totaling EUR 39.4 million, attributable to the second half of 2020. On February 15, 2021, 1&1 accepted Telefónica Germany's improved offer – following review by the EU Commission – for national roaming and thus also retroactively as of July 1, 2020 for the related MBA MVNO advance services. The new offer includes annually decreasing data prices again, similar to the pricing mechanisms in the first five years of the MBA MVNO agreement. EBITDA 2021 also includes a non-cash valuation effect from derivatives with a positive impact on earnings of EUR 4.9 million.

After correctly allocating the above mentioned price effects to their respective periods and adjusting for the valuation effect from derivatives, earnings developed as follows: operating EBITDA rose by 3.4% in the fiscal year 2021 from EUR 1,218.2 million in the previous year to EUR 1,259.4 million, and operating EBIT by 5.6% from EUR 743.7 million to EUR 785.6 million.

The key earnings figures include initial costs for the construction of 1&1's 5G network of EUR -37.9 million (prior year: EUR -13.9 million), as well as the announced investments of IONOS amounting to EUR -36.8 million for a product and sales drive focusing on its cloud business and further international expansion.

Earnings per share (EPS) increased from EUR 1.55 in the previous year to EUR 2.23. EPS also includes the (non-period) positive effect on earnings (EPS effect: EUR +0.11) and the valuation effect from derivatives (EPS effect: EUR +0.02). These positive effects in 2021 are opposed by the write-off in 2020 of VDSL contingents still available (EPS effect: EUR -0.37) and impairment reversals of Tele Columbus (EPS effect: EUR +0.16). After correctly allocating the positive earnings effect and without consideration of the other aforementioned effects, operating EPS rose by 12.3% from EUR 1.87 to EUR 2.10, and operating EPS before PPA by 8.2% from EUR 2.32 to EUR 2.51.

### **Dividend**

On the basis of the figures for 2021, the Management Board and Supervisory Board of United Internet AG will propose a dividend of EUR 0.50 per share for the fiscal year 2021 (prior year: EUR 0.50) at the (virtual) Annual Shareholders' Meeting on May 19, 2022. Based on around 187.7 million shares with dividend entitlement (as of December 31, 2021), the total dividend payment for fiscal year 2021 would amount to EUR 93.4 million. The dividend payout ratio would therefore be 23.8% of adjusted consolidated net income for 2021 after minority interests (EUR 292.4 million) and thus lie – in view of the investments in 1&1's mobile communications network – within the lower range targeted by the Group's dividend policy.

### **Outlook 2022**

With an ad-hoc announcement on December 9, 2021, United Internet AG published its guidance for the fiscal year 2022. After completing its fiscal year 2021, the company is updating this guidance and now expects an increase in consolidated sales to approx. EUR 5.85 billion (previous guidance: approx. EUR 5.80 billion; prior year: EUR 5.646 billion). EBITDA 2022 is to remain unchanged on a par with 2021 (EUR 1.259 billion), despite additional investments. The anticipated EBITDA result includes increased initial costs for 1&1's 5G network rollout of approx. EUR 70 million (prior year: EUR 38 million), as well as approx. EUR 30 million for additional marketing activities of cloud service provider IONOS to raise brand awareness in its most important European markets. United Internet plans significantly higher capital expenditures (capex) in 2022, especially for the rollout of 1&1's mobile communications network, as well as for the expansion of 1&1 Versatel's fiber-optic network to provide coverage in additional expansion areas and connect 5G antennas. Capex is likely to be between EUR 800 million and EUR 1 billion (prior year: EUR 290 million).

An overview of all key figures and the Annual Financial Statements 2021 are available online at [www.united-internet.de](http://www.united-internet.de).

**About United Internet**

With over 26 million fee-based customer contracts and more than 40 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 around 10,000 employees, of which around 3,400 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, STRATO, and 1&1 Versatel), United Internet stands for outstanding operational excellence with around 67 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 Consolidated Financial Statements 2021 of United Internet AG on page 25.