

PRESS RELEASE

United Internet with successful H1 2018

- Customer contracts: + 530,000 to 23.17 million contracts
- Sales acc. to IFRS 15: + 30.4% to EUR 2.549 billion (pro forma: + 10.9%)
- EBITDA acc. to IFRS 15: + 31.5% to EUR 565.5 million (pro forma: + 10.8%)
- 2018 sales and earnings guidance confirmed

Montabaur, August 13, 2018. United Internet AG maintained its growth trajectory in the first half of 2018. The company once again posted improvements in its customer contract figures, sales revenues, and key earnings ratios.

In the first six months of 2018, United Internet made further strong 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 increased by 530,000 to 23.17 million contracts. Of this total, 470,000 contracts were added in the Access segment (430,000 mobile internet and 40,000 DSL connections), while the Applications segment contributed 60,000 fee-based contracts and 390,000 ad-financed free accounts.

The following sales and earnings figures are shaped by the consolidation of Strato and Drillisch, as well as by positive conversion effects from the initial application of IFRS 15 in the first half of 2018 (prior year: IAS 18). There were opposing and expected burdens on earnings from increased contract growth and stronger use of smartphones for new and existing customers (no or only small one-off customer charges for new contracts and refinancing via higher tariff prices over the contractual term). The IFRS 15 effects had a positive impact on sales (EUR 160.1 million), while their impact on earnings was almost fully offset by expenses for the increased use of smartphones.

Specifically, consolidated sales grew by 30.4%, from EUR 1,954.1 million (acc. to IAS 18) in the previous year to EUR 2,548.9 million (acc. to IFRS 15) in the first six months of 2018. On a pro forma basis (including Strato and Drillisch in the previous year), sales rose by 10.9% from EUR 2,298.2 million (acc. to IAS 18) to EUR 2,548.9 million (acc. to IFRS 15).

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 31.5%, from EUR 429.9 million in the previous year (acc. to IAS 18) to EUR 565.5 million (acc. to IFRS 15). On a pro forma basis (including Strato and Drillisch in the previous year), EBITDA improved by 10.8% from EUR 510.2 million (acc. to IAS 18) to EUR 565.5 million (acc. to IFRS 15). EBITDA for the first six months of 2018 includes one-off expenses for current integration projects of EUR 13.9 million.

Earnings before interest and taxes (EBIT) rose by 14.9%, from EUR 325.3 million (acc. to IAS 18) in the previous year to EUR 373.8 million (acc. to IFRS 15). EBIT also includes the above mentioned one-off expenses of EUR 13.9 million. The difference in percentage growth

compared to EBITDA is due to increased amortization of purchase price allocations (PPA) from the Strato and Drillisch takeovers completed in 2017.

Earnings per share (EPS) fell from EUR 0.96 (comparable prior-year figure without Rocket impairment) to EUR 0.91. This was due to the strong increase in minority interests as a result of the 33% stake of Warburg Pincus in the Business Applications division and the 27% stake of minority shareholders in 1&1 Drillisch AG, and thus in the Consumer Access division. In addition, there were increased PPA writedowns relating to the acquisition of Versatel, and in particular to the Strato and Drillisch takeovers in 2017. Without consideration of PPA writedowns, EPS rose from EUR 1.05 to EUR 1.16.

“The positive trend in our key performance figures for sales and earnings continued in the first half of 2018. We are on course to meet our full-year financial targets for 2018,” states Ralph Dommermuth, CEO of United Internet, in his summary of the first six months of fiscal year 2018.

Outlook 2018

Following a successful first half-year 2018, United Internet AG can confirm its full-year guidance for 2018 and continues to expect growth in sales to approx. EUR 5.2 billion (prior year acc. to IAS 18: EUR 4.21 billion). Consolidated EBITDA is still expected to reach approx. EUR 1.2 billion in 2018 (prior year acc. to IAS 18: EUR 980 million).

An overview of all key figures and the half-year financial report 2018 are available online at www.united-internet.de.

About United Internet

With around 23 million fee-based customer contracts and over 36 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. 9,000 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, STRATO, 1&1 Versatel and the brands of Drillisch Online), United Internet stands for outstanding operational excellence with over 59 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 2017 of United Internet AG from page 53 onwards.