



Drillisch AG

Company Presentation

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 **Highlights Q1 2015**

 **Market Development**

 **Financial Indicators**

 **Outlook**

Highlights Q1 2015

<p>Acquisition of yourfone</p>	<ul style="list-style-type: none"> ✓ Conclusion of the acquisition of yourfone for €51.4m⁽¹⁾ in January 2015  ✓ Established brand on German wireless services market offering potential for further growth
<p>Acquisition of GTCOM</p>	<ul style="list-style-type: none"> ✓ Acquisition of 97.5% interest in the prepaid provider GTCOM for €1.6m⁽¹⁾ at the beginning of February 2015  ✓ Expansion of the distribution platform in cooperation with interesting partners <div style="display: flex; justify-content: center; gap: 10px; margin-top: 5px;">        </div>
<p>Offline Sales</p>	<ul style="list-style-type: none"> ✓ Establishment of the offline distribution channel, laying the foundation for continued growth in subscriber numbers and revenue ✓ Selection of 301 shop locations in the first half of 2015
<p>Rate Plan Portfolio</p>	<ul style="list-style-type: none"> ✓ April 2015: Attractive portfolio of new package and flat-rate plans for use all across Europe ✓ October 2014: Successful introduction and various awards for the new LTE and data rate plans⁽²⁾
<p>Acquisition of The Phone House DE</p>	<ul style="list-style-type: none"> ✓ April 2015: Acquisition of The Phone House Deutschland, put into effect from 5 May 2015 ✓ One of the largest distributors of wireless services and landline contracts as well as the related devices and services, operating about 4,800 POS

(1) Final calculation of the purchase price not yet available

(2) Stiftung Warentest All-net Flat Rate Test Winner (10/14) and Stiftung Warentest Finance Test All-net LTE Rate Plans Test Winner (03/15)

Benefits of the MBA MVNO Contract

MBA MVNO contract opens up new strategic opportunities



Access to network capacity

- Access to up to 30% of network capacity
- Unrestricted 4G access no less than 12 months before other non-MNOs from 1 July 2015



Expansion of distribution network

- Significant increase in distribution capacity with access to new customer groups
- Expansion of the “best in class” online distribution channel for additional capacities
- Acquisition of shops for establishment of offline channel



Participation in technology and network development

- Unlimited access to all current and future technologies (4G, 5G, etc)
- Option to become a full MVNO or an “MNO light”
- On equal footing with network operators for future network developments



Attractive terms and conditions

- Contract security at attractive terms and conditions
- Network access guaranteed for up to 15 years (contract term of 5 years and 2 options for renewal of 5 years each)
- Planning security thanks to fixed long-term terms and conditions of purchasing

MBA MVNO contract gives Drillisch the chance to expand its leadership in pricing and innovation on the market for wireless services

Drillisch Brand Portfolio

Success with innovative services and transparent products

Drillisch portfolio (excerpt)

Premium Brands

New



Multiple Brand Strategy



Awards for pricing and quality (excerpt)

Sustained high standard in quality management again confirmed by external audits



Mobile Awards 2014:
The winners have been crowned



High customer satisfaction and willingness to recommend to others (as high as 90%)

LTE Rate Plan Comparison by Stiftung Warentest⁽¹⁾

- Stiftung Warentest compared a total of 19 LTE wireless services products⁽²⁾ in its Finance Test.





- “Where can you get high-speed internet at an especially low price?”

- “From Premium SIM, from sim.de and from simply.... ”

- “It is our opinion that the simple and low-cost utilisation of the mobile internet will continue to be the growth driver in our industry for years to come.”

TEST WINNER

All of the Top Places for LTE

Place	Brand	Plan	Price (€)	Mbits/s / High-speed volume (MB)
1	 PremiumSIM Exklusive Smartphone-Tarife	LTE M	19.95	50 / 2,000
2	 sim.de ...ganz einfach besser!	LTE Zwei	19.95	50 / 2,000
3	 simply Und gut.	LTE M Plus	19.95	50 / 2,000
4	 yourfone.de MEHR FÜR DICH.	LTE M	19.95	50 / 2,000
5	 DeutschlandSIM Alles drin	LTE M	24.95	50 / 2,000

The five top places in the LTE rate plan comparison conducted by Stiftung Warentest went to Drillisch brands

(1) Finance Test All-net LTE Rate Plans 03/15

(2) LTE with a minimum speed of 50 MBit/s, unlimited calls to the German landline network and to all German wireless networks and unlimited text messages.

Drillisch Product World

With 4G rate plans — with outstanding quality and transparent products successful today...

LTE 500 12,99 €	500 GB at 50 Mbit/s (Unlimited calls and text messages)
LTE 1.500 19,99 €	1.5 GB at 50 Mbit/s (Unlimited calls and text messages)
LTE 3.000 24,99 €	3 GB at 50 Mbit/s (Unlimited calls and text messages)
LTE 5.000 39,99 €	5 GB at 50 Mbit/s (Unlimited calls and text messages)
LTE 10.000 69,99 €	10 GB at 50 Mbit/s (Unlimited calls and text messages)

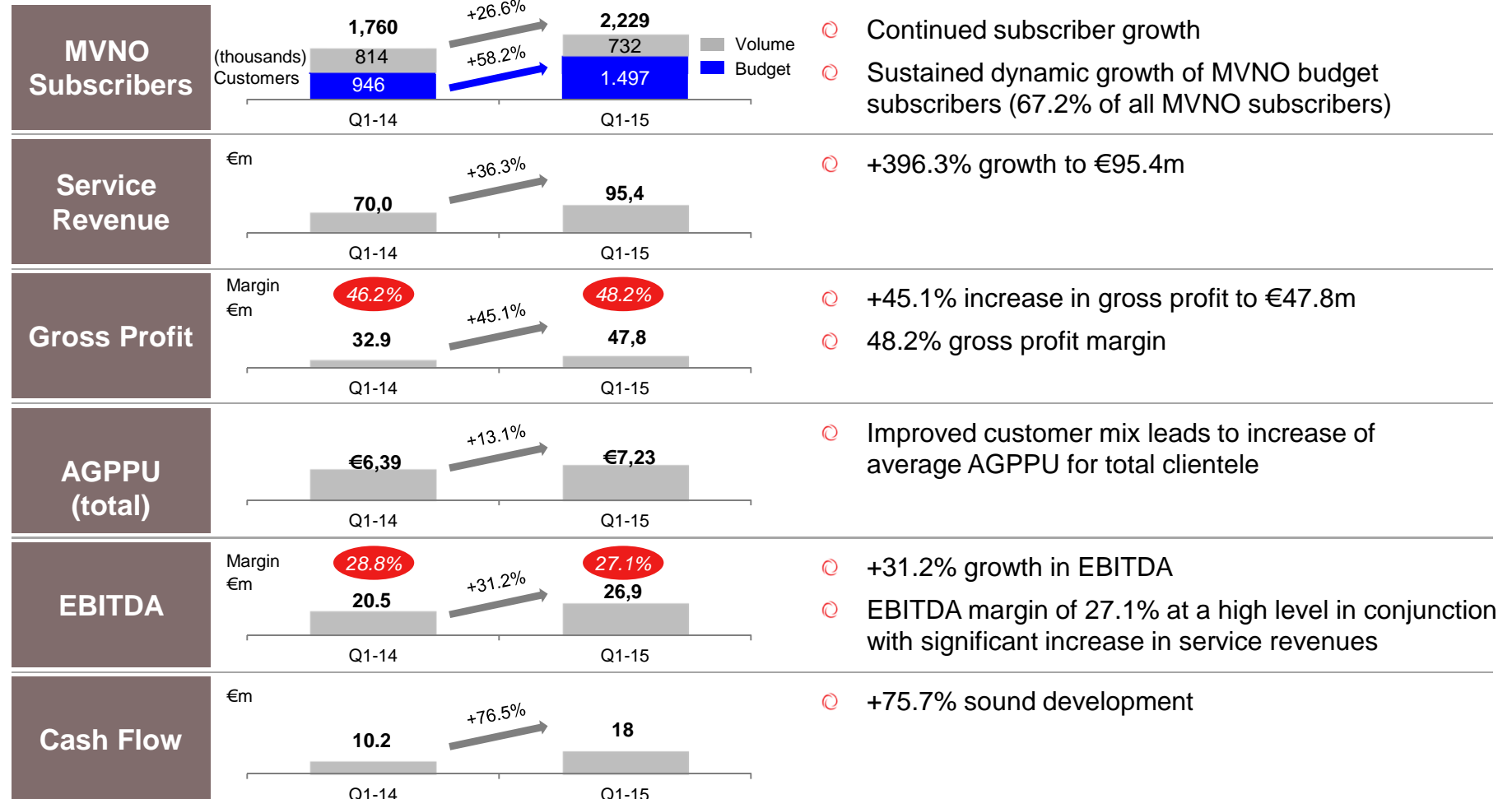
Our competitors with 4G products*

○ VOD	Smart L	€29.99
○ DTE	Magenta Mobil S	€28.45
○ TEF D	Select	€19.99
○ DTE	Magenta Mobil M	€37.95
○ VOD	Red 1.5 GB	€34.99
○ TEF D	All in M 1 GB	€29.99
○ DTE	Magenta Mobil L	€47.45
○ TEF D	All-in L	€39.99
○ VOD	Red 3 GB	€39.99
○ DTE	Magenta Mobil L Prem	€109.95
○ DTE	Magenta Mobil L Plus	€75.95
○ TEF D	All-in XL	€49.99
○ TEF D	All-in Premium	€79.99

...tomorrow the only MBA MVNO with the features of a network operator

*Rate plans are not the same in all of their components and can differ slightly, e.g. in data package and speed

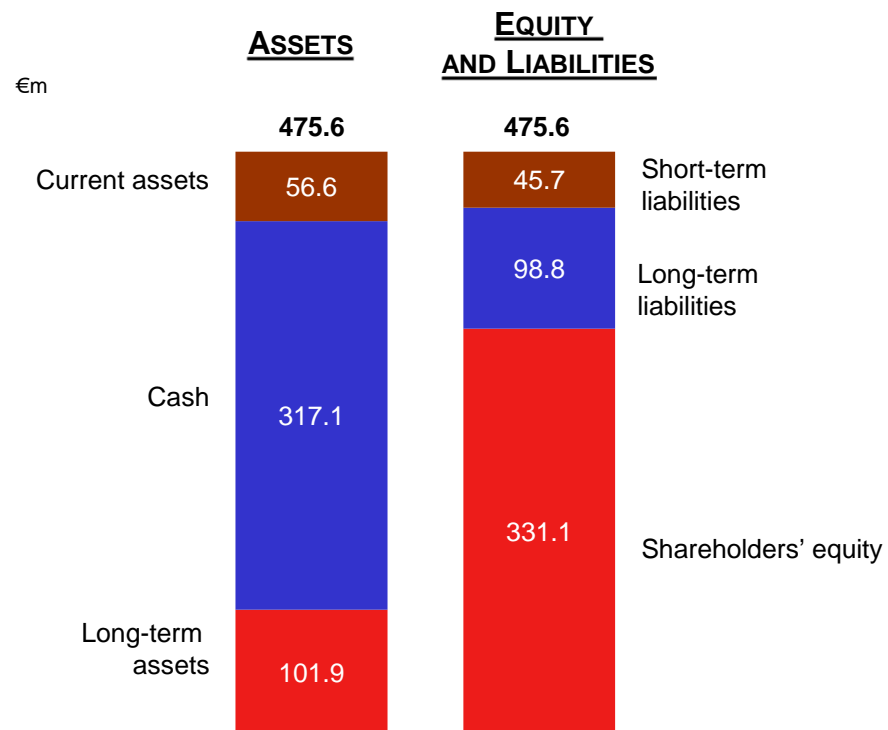
Highlights Figures Q1 2015



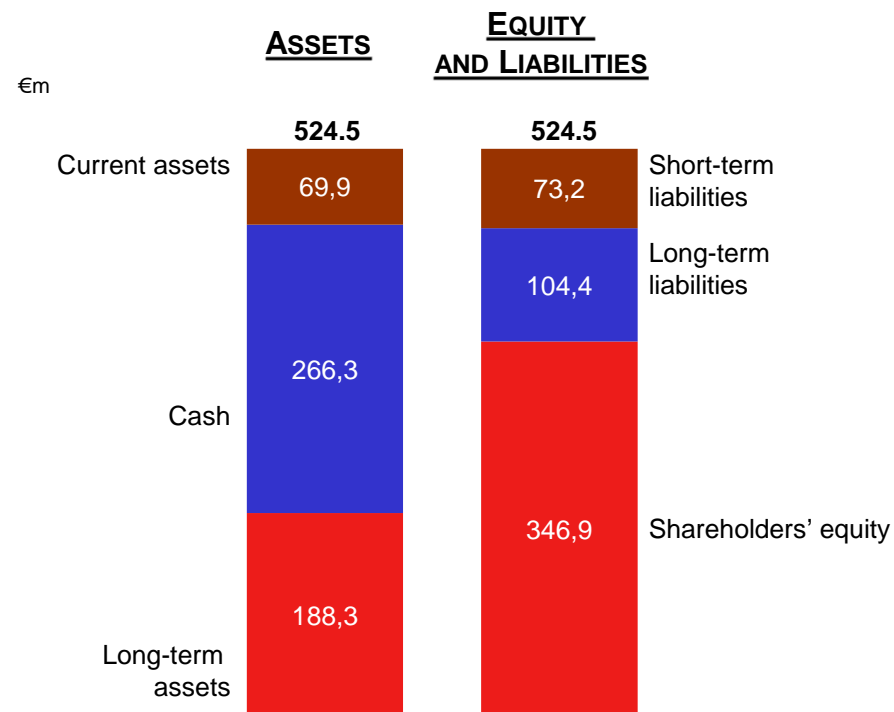
Positive Development in Q1 2015

Balance Sheet in €m

31 December 2014



31 March 2015



Equity ratio at 66.1% (31/12/2014: 69.9%)

Cash Flow Development

€m	Q1 14	Q1 15
Cash flow from current business activities	10.2	18.0
Cash flow from investment activities	-0.5	-67.8
Cash flow from financing activities	-0.2	-0.9
Free cash flow ⁽¹⁾	9.6	13.2

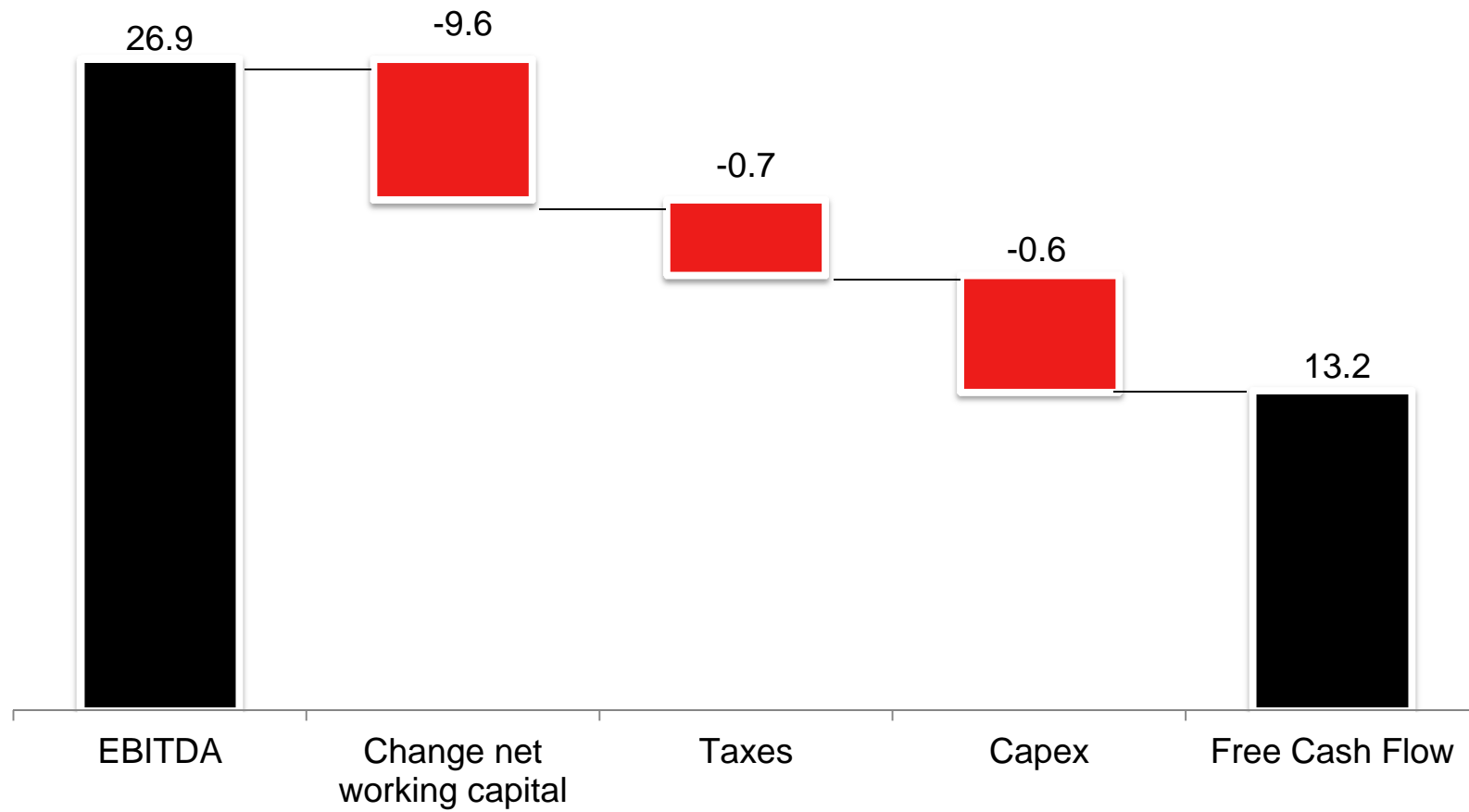
- Thereof €63.2 million payments for acquisitions
- Outflow of funds related primarily to interest paid

Substantial increase in cash flow from current business activities

(1) Definition of free cash flow: cash flow from current business activities less CAPEX

Bridge EBITDA to FCF

Free Cash Flow Bridge January–March 2015 in €m

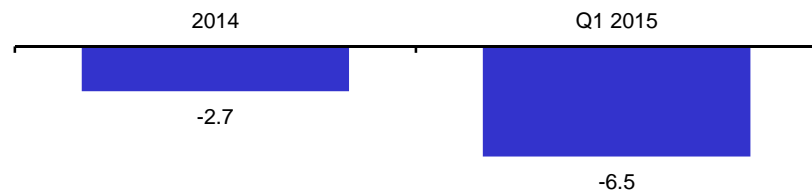


Overview of Liabilities and Cash

Development in net financial liabilities

€m	2014	Q1 2015	Q1 2014
Loans and overdrafts	0.0	0.0	0.0
Convertible bond	88.8	89.5	86.9
Leasing liabilities	2.1	1.9	1.0
Financial liabilities	90.9	91.4	87.9
Cash and cash equivalents	-317.1	-266.3	-196.5
Net financial liabilities	-226.2	-174.9	-108.6
EBITDA	85.2	26.9	20.5

Net financial liabilities/EBITDA



Secured financing from available cash

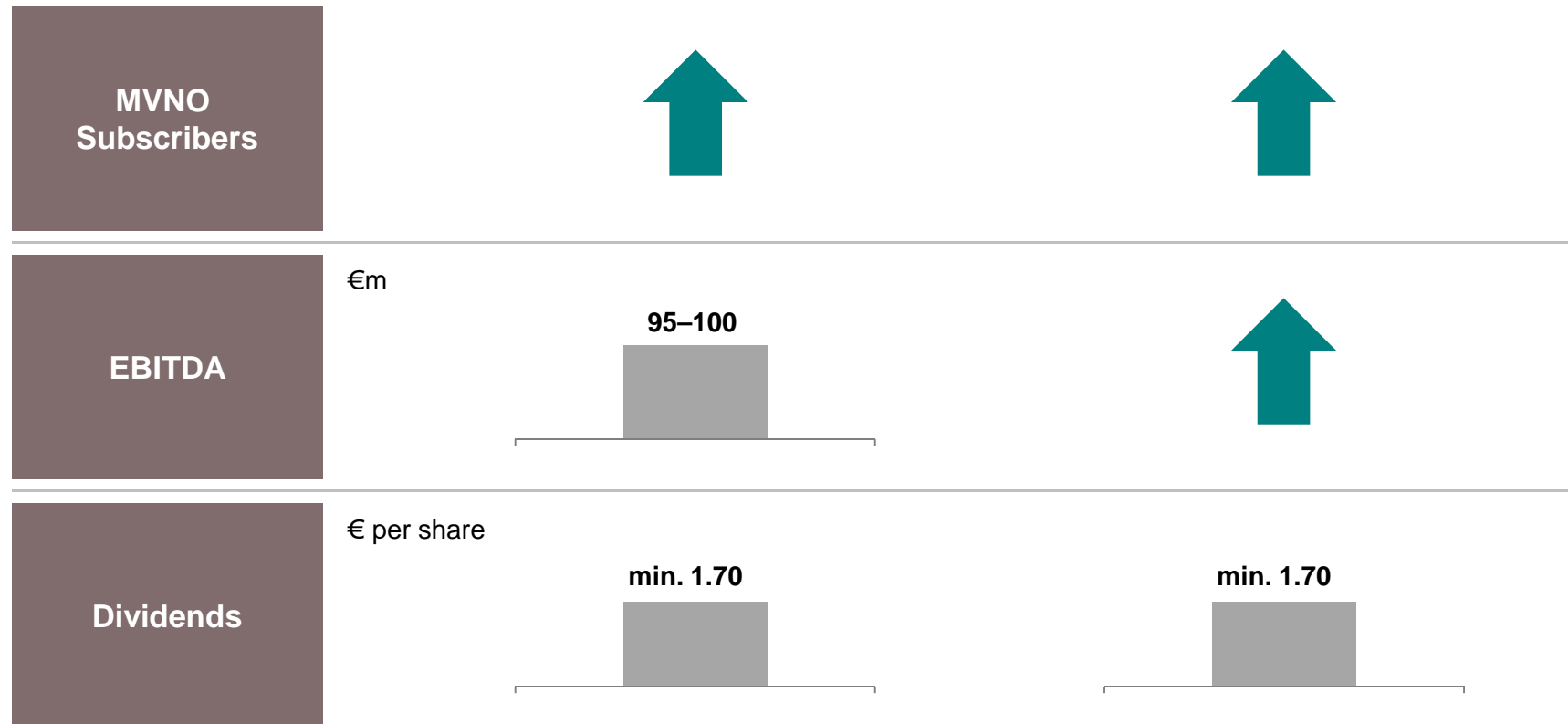
€m	Q1 2015
Cash	266.3
Credit line since December 2014 (not utilised)	Up to 100
Up-front payment MBA MVNO contract	-[150]
Dividend 2014	-[90]

- Even after the yourfone acquisition, Drillisch has high cash reserves which can be used to drive growth

Future growth financed by earning power and current cash reserves

FORECAST 2015

FORECAST 2016



Continuation of the success story — profitable growth planned for 2015 and 2016 as well

Outlook and Takeaways



EBITDA forecast exceeded and profitability increased again



EBITDA increase planned for 2015 and 2016 as well



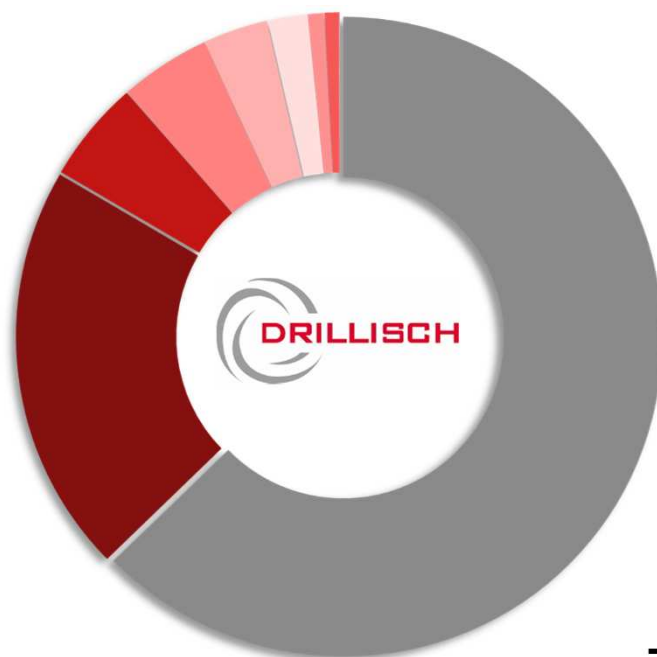
Attractive dividend policy — €1.70 for fiscal year 2014; minimum for 2015 & 2016



Full financial flexibility and liquidity the foundation for continued growth

Drillisch Stock

Shareholder Structure per 12 May 2015



Shareholder Structure	in %	in shares
Free Float	62.72%	33,360,538
United Internet Ventures AG	20.70%	11,012,730
Allianz Global	5.15%	2,737,449
Union Investment Privatfonds	4.58%	2,436,487
Alken Luxembourg	3.25%	1,726,402
M Brucherseifer	2.03%	1,077,565
P Choulidis	0.80%	425,000
V Choulidis	0.75%	400,000
J Weindl	0.02%	10,439
Dr H Lennertz	0.01%	2,407
Total	100.00%	53,189,015

Index Ranking (TecDAX + Blue Chip Indices Germany), April 2015

Index	Market cap.	Revenue
TecDAX 30	7	6
Blue Chip Indices Germany	64	51

Annex

EBITDA Forecast vs Achieved EBITDA

		EBITDA (adjusted) Forecast						
		2009	2010	2011	2012	2013	2014	2015
FY	Positive Development	Positive Entwicklung	€52 Mio.	€58m	€67m-€70m	(prev: €77m-€80m) ↗ €82m-€85m	€95m-€100m	
Q1	€41m-€42m↑	€46m ↑	✓	✓	✓			
Q2	✓	✓	✓	€60m-€61m↑	Upper end ↑	Upper end ↑		
Q3	€43m ↑	€48m ↑	✓	✓	€70m			
EBITDA (IFRS)	€43.5m	€49.3m	€52.6m	€61.9m	€70.8m	€85.2m		
EBITDA Growth (YoY)	7.1%	13.3%	6.7%	17.8%	14.4%	20.3%	~ +[14]%	

Comparison with forecast:	Exceeded ↑	Exceeded ↑	Exceeded ↑	Exceeded ↑	Exceeded ↑	Exceeded ↑
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Drillisch achieves sustained increases in profitability (annual growth in EBITDA of 14.4% over the period from 2009 to 2014), whereby the forecast has always been exceeded