



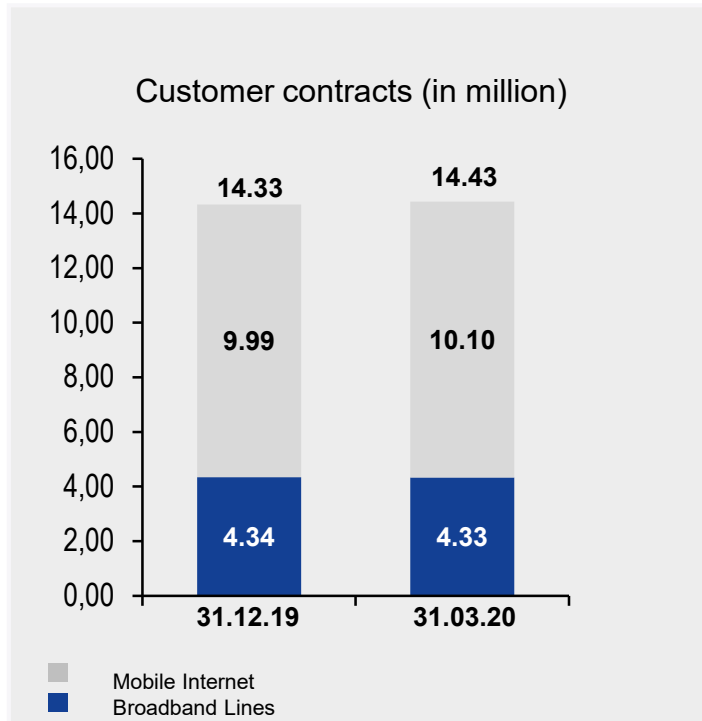
---

# Presentation Q1 2020 and Outlook

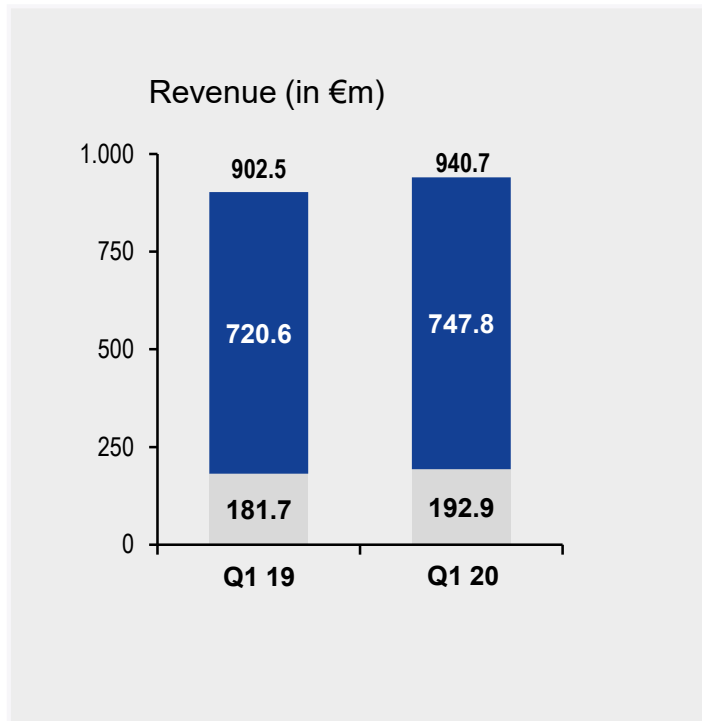
---

- Business Development Q1 2020
- Outlook 2020

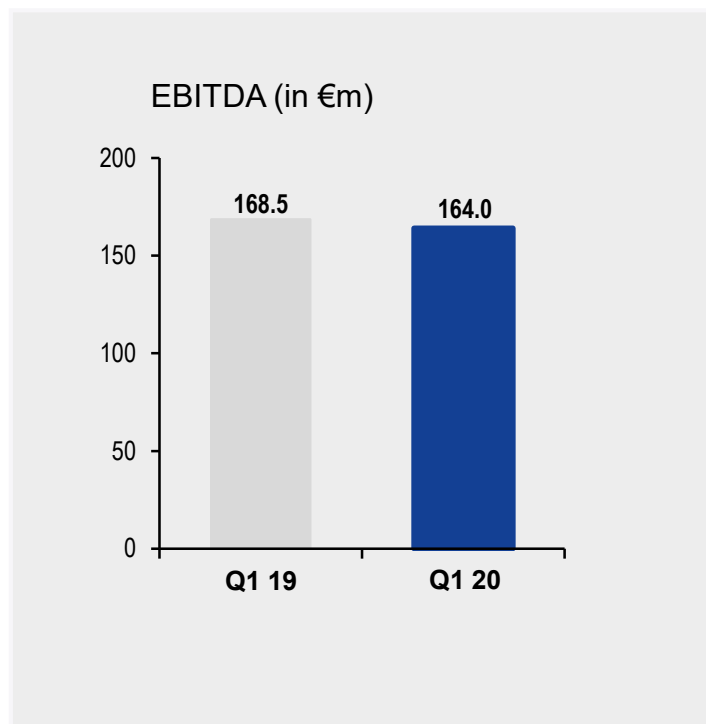
# Business Development Q1 2020



- 14.43m customer contracts (+ 0.10m)
  - 10.10m mobile internet (+ 0.11m)
  - 4.33m broadband lines (ADSL/VDSL/FTTH) (-0.01m)



- + 4.2 % Revenue to €940.7m
- + 3.7 % Service revenue to €747.8m
- + 3.3 % Service revenue adjusted due to coronavirus effects
- + 6.2 % Other revenue, especially low-margin hardware business

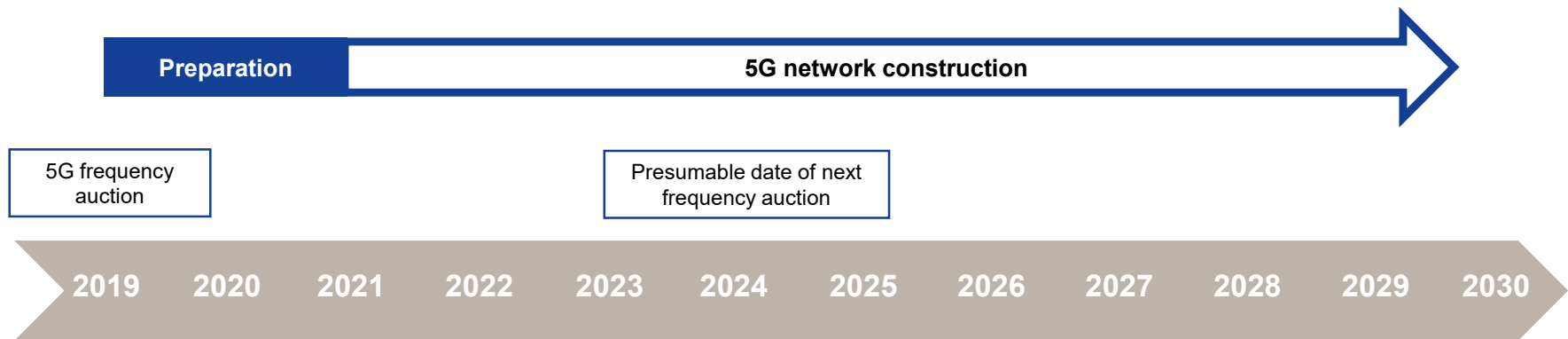


- – 2.6 % EBITDA to €164.0m
- 17.4 % EBITDA margin (previous year: 18.7%)
- EBITDA Q1 2020 contains:
  - –€2.8m initial costs for 5G wireless network (previous year: –€1.0 m)
  - –€0.3m one-offs from integration projects (previous year: –€2.1m)
  - –€4.9m one-offs from increased usage because of coronavirus-lockdown
  - –€4.2m regulation “subscriber line price increase” (07/19)
  - –€2.7m regulation “text message costs EU” (05/19)

➡ + 4.3 % EBITDA adjusted for aforementioned effects

- Stable growth in service revenues (+ 3.7 %/+ 3.3 % before coronavirus effects)
- +4.3% adjusted EBITDA growth (after 5G, one-offs, regulatory effects)
- 100,000 new customer contracts
- Changes in user behaviour because of coronavirus pandemic lead to decline in results of €4.9m in March

- Purchase/Rent of frequencies ✓
- Negotiations regarding national roaming and infrastructure sharing ongoing
- Cooperation discussions with wireless network suppliers ongoing
- Expansion of 1&1 Versatel fibre optic network ongoing





# Profit Situation Q1 2020 v. Q1 2019

(in €m)	Q1 2019	Q1 2020	Change
<b>Revenue</b>	902.5	940.7	+ 4.2 %
Cost of sales	– 633.2	– 668.1	+ 5.5 %
<b>Gross Profit from Revenues</b>	269.3	272.6	+ 1.2 %
Distribution costs	– 109.4	– 106.5	– 2.7 %
Administration costs	– 23.1	– 25.3	+ 9.5 %
Other operating income/expenses	6.9	4.6	– 33.5 %
Impairment losses from receivables and contract assets	– 14.8	– 19.0	+ 28.6 %
<b>Results from Operating Activities</b>	128.8	126.4	– 1.9 %
<b>Financial Results</b>	– 1.3	– 0.1	
<b>Profit Before Taxes</b>	127.5	126.2	– 1.0 %
Tax expenses	– 38.5	– 38.0	– 1.1 %
<b>Consolidated Profit</b>	89.0	88.2	– 0.9 %

# Balance Sheet

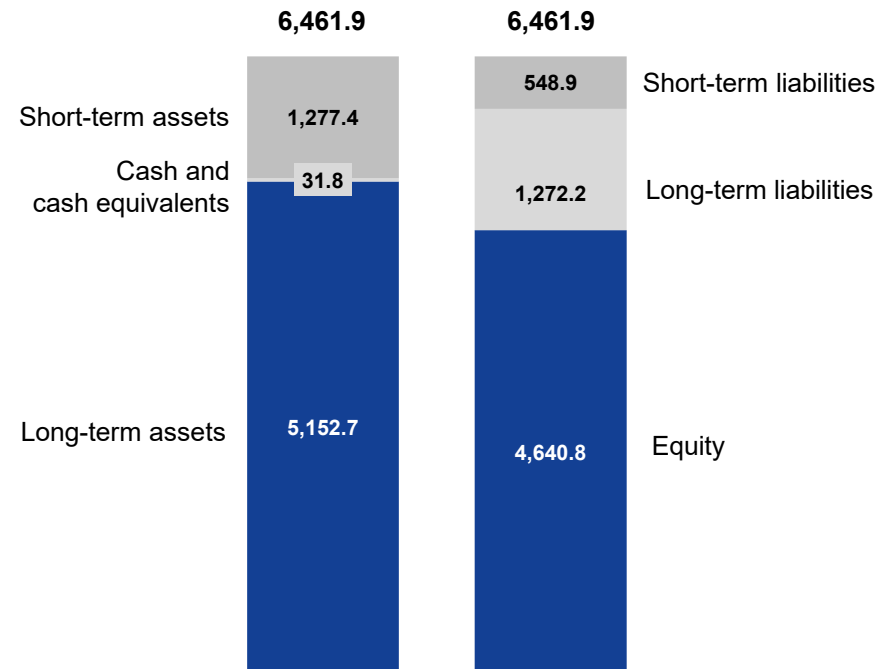
31 December 2019

31 March 2020

(in €m)

**ASSETS**

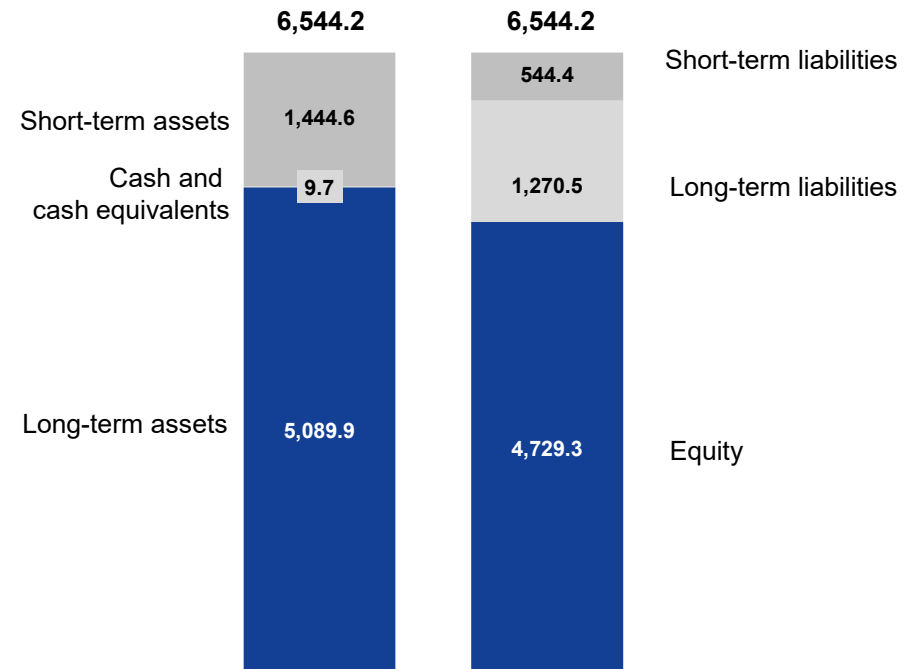
**LIABILITIES**



(in €m)

**ASSETS**

**LIABILITIES**



# Cash Flow

(in €m)	Q1 2019	Q1 2020	Change	Comments
Net inflow of funds from operating activities	17.0	105.0	+ 518.9 %	<ul style="list-style-type: none"> <li>▪ €120.9m cash flow from operating activities</li> <li>▪ €-2.1m from change in contract assets and contract liabilities</li> <li>▪ €+6.9m from change in trade receivables and payables and other assets and liabilities</li> <li>▪ €-37.2m from change in receivables and liabilities relating to associated companies</li> <li>▪ €+6.7m reduction in inventories</li> </ul>
Cash flow from investment activities	- 2.3	- 123.6		<ul style="list-style-type: none"> <li>▪ €-7.6m Capex</li> <li>▪ €-116.0m investment of free cash with UITD</li> </ul>
Cash flow from financing activities	- 14.0	- 3.5		<ul style="list-style-type: none"> <li>▪ €-3.5m amortisation of financial liabilities</li> </ul>
Free cash flow <sup>(1)</sup>	14.7	97.5	+ 561.1 %	

(1) Definition of free cash flow: free cash flow is calculated as the net payments from operating activities in continued operations (items disclosed in the capital flow statement) less investments in intangible and tangible assets plus payments from the disposal of intangible and tangible assets.

# Bridge EBITDA to FCF



# Outlook 2020

- More than 500,000 new customer contracts
- Revenues and profit at previous year's level
- This forecast is still subject to uncertainties, due to the effects of the coronavirus crisis.

Therefor, the forecast 2020 will be updated in the context of the half-yearly report 2020



---

Presentation Q1 2020  
and Outlook

---

**This presentation contains future-oriented statements and forecasts representing the current assessments of the management at 1&1 Drillisch AG.**

These assessments and statements are subject to changes and uncertain framework conditions that are for the most part difficult to predict and are beyond the control of 1&1 Drillisch AG.

1&1 Drillisch AG is not under any obligation to publish any information resulting in changes in framework conditions or to publish revised information.

### **1&1 Drillisch AG**

Investor Relations

Wilhelm-Röntgen-Strasse 1-5

D-63477 Maintal

### **Contact**

Phone: +49 61 81 / 412 218

Internet: [www.1und1-drillisch.de](http://www.1und1-drillisch.de)

Email: [ir@1und1-drillisch.de](mailto:ir@1und1-drillisch.de)