

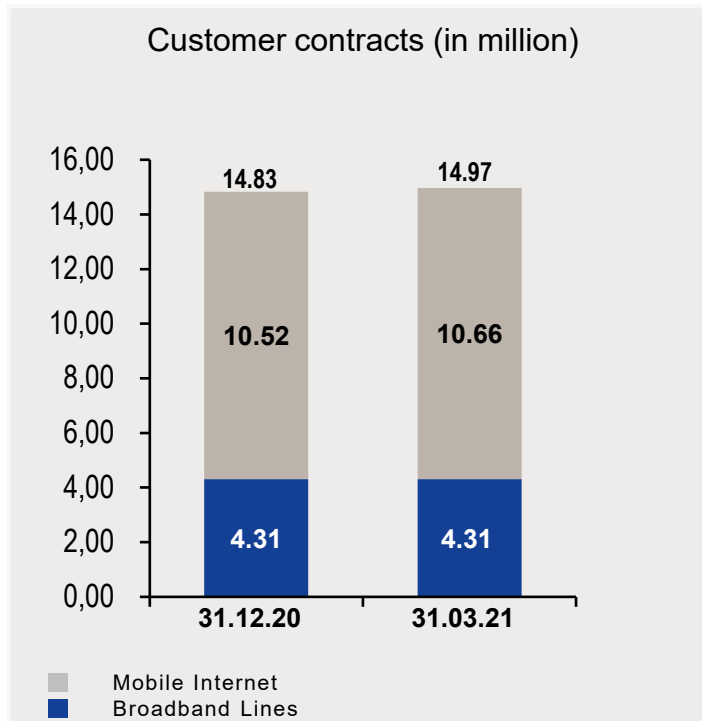


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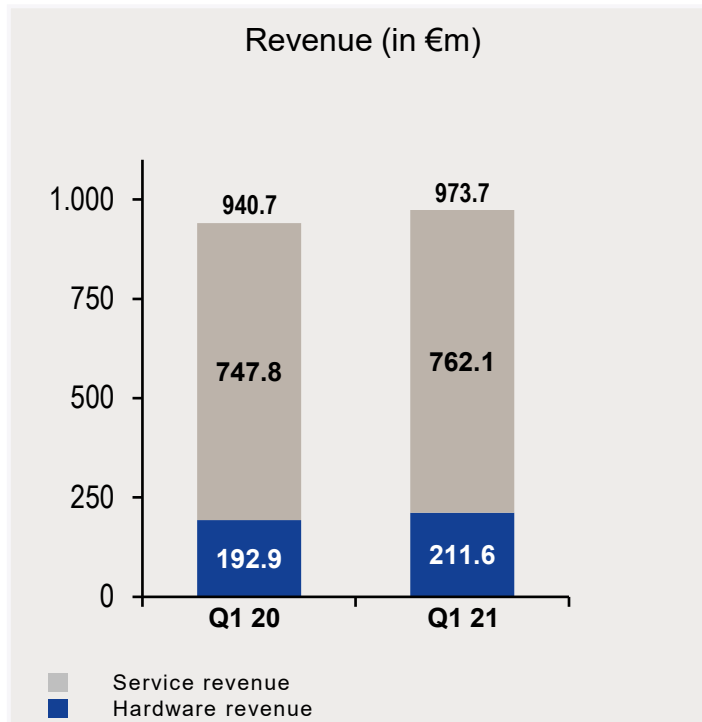
Q1 2021

- Company development Q1 2021
- Forecast FY 2021

# Company development Q1 2021

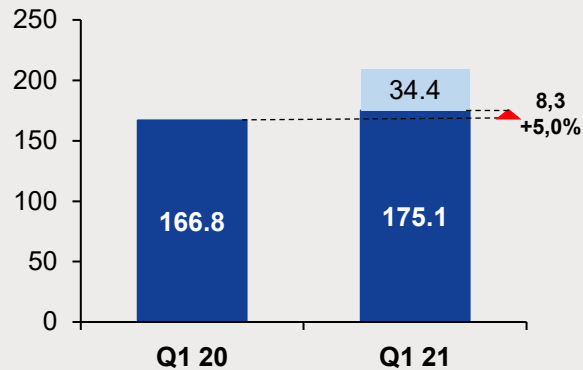


- 14.97m customer contracts (+ 0.14m)
  - 10.66m mobile internet (+ 0.14m)
  - 4.31m broadband lines (unchanged)

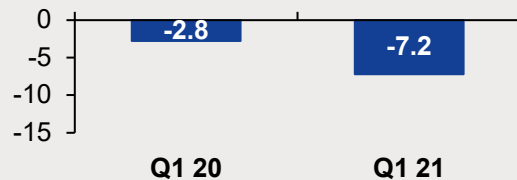


- + 3.5 % Revenue to €973.7m
  - + 1.9 % Service revenue to €762.1m
  - + 9.7 % other revenue to €211.6m

EBITDA Segment „Access“ (in €m)



EBITDA Segment „5G“ (in €m)



## Segment „Access“

- €209.5m EBITDA, incl.
  - + €34.4m Out-of-period reduction in cost of sales due to the application of wholesale prices based on Telefónica's recalculated national roaming offer (new prices also apply retroactively to MBA MVNO wholesale services as of July 1, 2020)
  - €175.1m operating EBITDA

## Segment „5G“

- - €7.2m EBITDA due to initial activities (5G mobile network)

- Spectrum acquisition (3.6 GHz and 2.1 GHz) ✓
- Spectrum rental (2.6 GHz) via Telefónica Deutschland ✓
- National roaming agreement ✓
  - Commercial agreement on national roaming
  - National roaming contract Q2/2021
- Cooperation with mobile network vendors ✓
  - Negotiated final offers from network vendors available
  - Contracts with vendors Q2/2021
- Expansion of 1&1 Versatel fibre optic network ongoing
- Start of the 5G network rollout Q3/2021

# Earnings Q1 2021 vs. Q1 2020

(in €m)	Q1 2020	Q1 2021	Change
<b>Revenues</b>	940.7	973.7	+ 3.5 %
Cost of Sales	- 668.1	- 651.5	- 2.5 %
<b>Gross profit from turnover</b>	272.6	322.2	+ 18.2 %
Distribution costs	- 106.5	- 114.3	+ 7.3 %
Administration costs <sup>1</sup>	- 25.3	- 31.5	+ 24.5 %
Other operating income/expenses	4.6	4.1	- 10.9 %
Impairment losses from receivables and contract assets	- 19.0	- 17.9	- 5.4 %
<b>Profit/loss from operating activities</b>	126.4	162.6	+ 28.7 %
Financial results	- 0.1	- 0.2	- 56.8 %
<b>Profit before taxes</b>	126.2	162.4	+ 28.7 %
Tax expenses	- 38.0	- 48.7	+ 28.2 %
<b>Consolidated results</b>	88.2	113.7	+ 28.9 %

(1) Incl. - €7.2m initial expenses for preparations for 5G mobile communications network (previous year: - €2.8m)



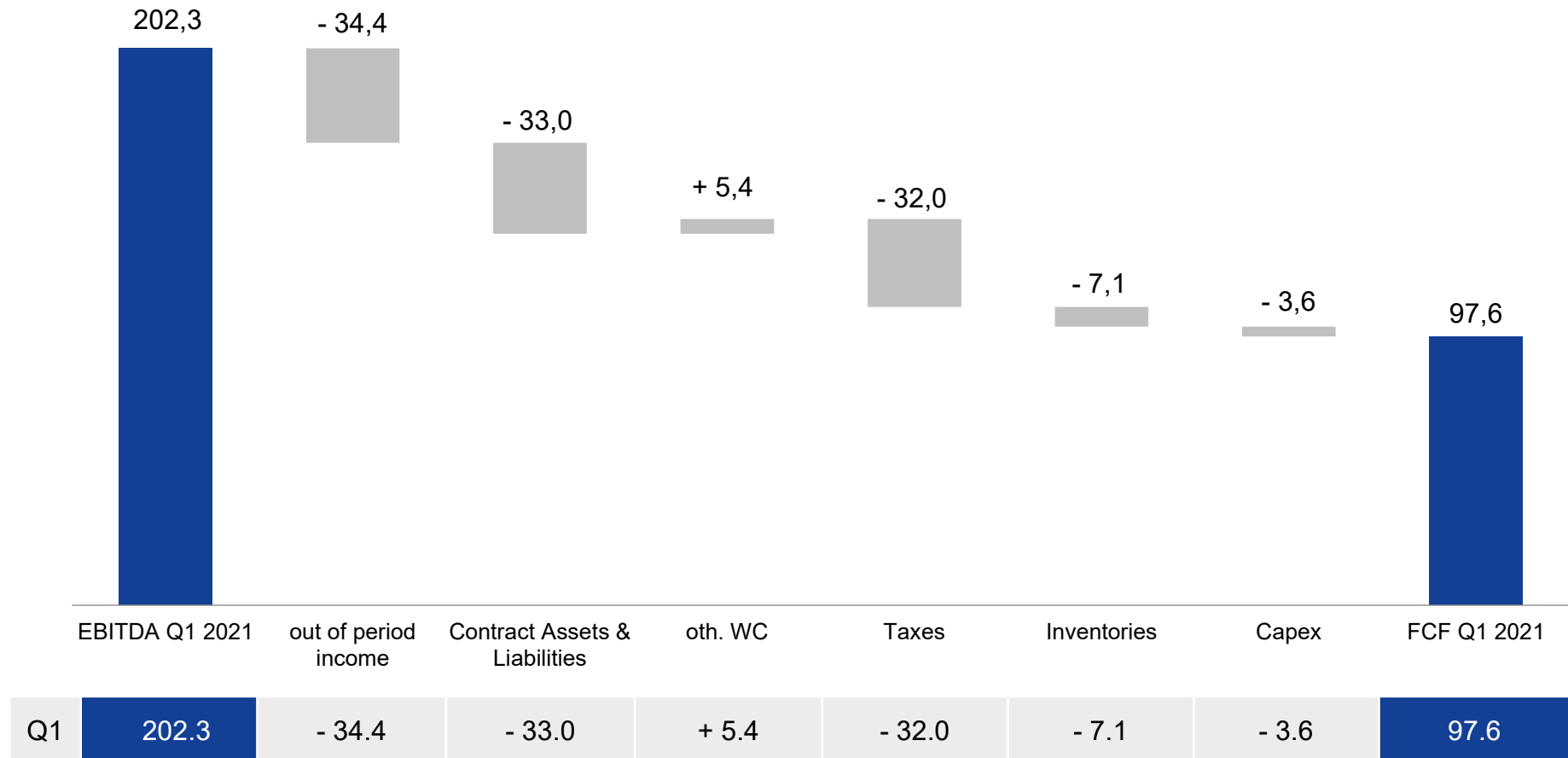


# Cash flow

(in €m)	Q1 20	Q1 21	Change	Comments
Net inflow of funds from operating activities	105.0	101.2	- 3.6 %	<ul style="list-style-type: none"> <li>▪ €117.7m Cash flow from operating activities</li> <li>▪ - €33.0m from the change in contract assets and contract liabilities</li> <li>▪ - €21.0m from the change in receivables from and payables to related companies</li> <li>▪ + €18.2m Increase in income tax liabilities</li> <li>▪ + €11.8m from the change in trade receivables and payables and in other assets and liabilities</li> <li>▪ + €14.6m from the change in accrued expenses</li> <li>▪ - €7.1m Increase in inventories</li> </ul>
Cash flow from investment activities	- 123.6	- 95.8	+ 22.5 %	<ul style="list-style-type: none"> <li>▪ - €3.6m Capex</li> <li>▪ - €92.0m Investment of free cash at UTDI</li> </ul>
Cash flow from financing activities	- 3.5	- 4.1	- 17.1 %	<ul style="list-style-type: none"> <li>▪ - €4.1m Repayment of lease liabilities</li> </ul>
Free cash flow <sup>(1)</sup>	97.5	97.6	+ 0.1 %	

(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 (in €m)



# Forecast FY 2021

- ca. €3.10bn service revenues (previous year: €3.02bn)
- ca. €650m EBITDA (previous year: €468.5m after ca. €204.3m special items)
- Included in earnings forecast: ca. €30m initial 5G network costs
- On top of it: €34.4m positive effects from retroactive price adjustment of MBA MVNO wholesale services

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continues!

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**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.

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