



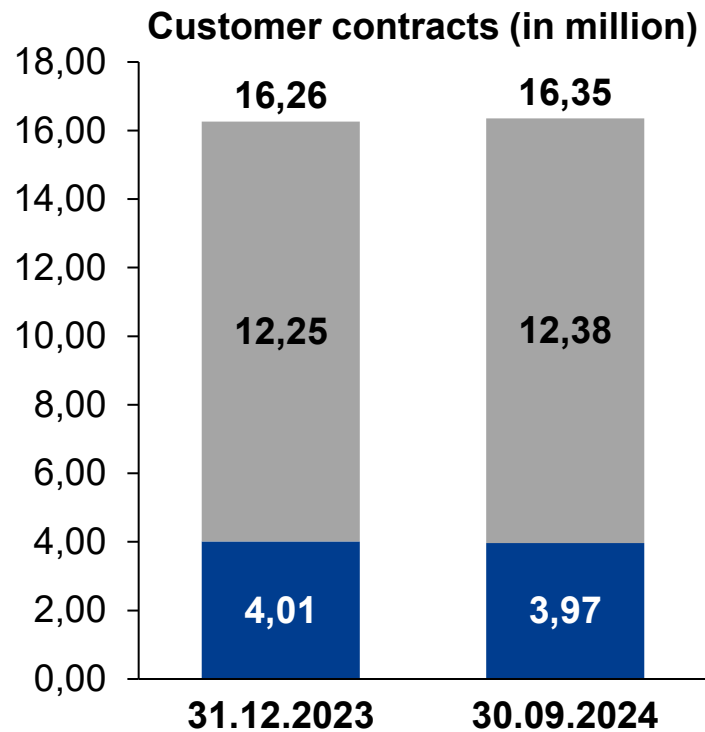
9M 2024 and Outlook 2024

Markus Huhn

- Company development 9M 2024
- Status 1&1 mobile network
- Financial key figures 9M 2024
- Forecast 2024

Company development 9M 2024

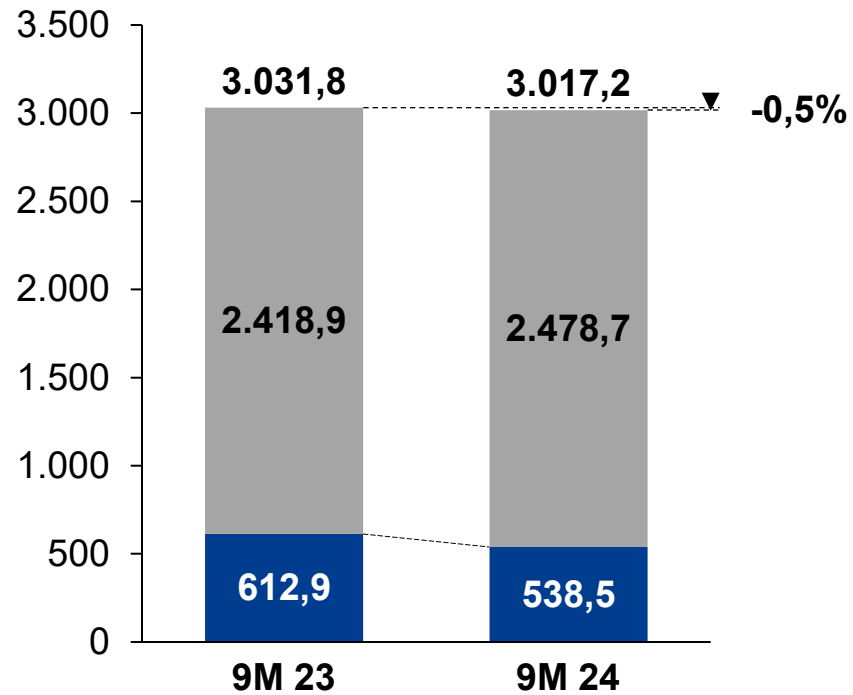
Customer contracts



■ Mobile Internet
■ Broadband Lines

- 16.35m customer contracts (+ 0.09m)
- 12.38m mobile internet (+ 0.13 m)
- 3.97m broadband lines (- 0.04m)

Revenue in (in €m)

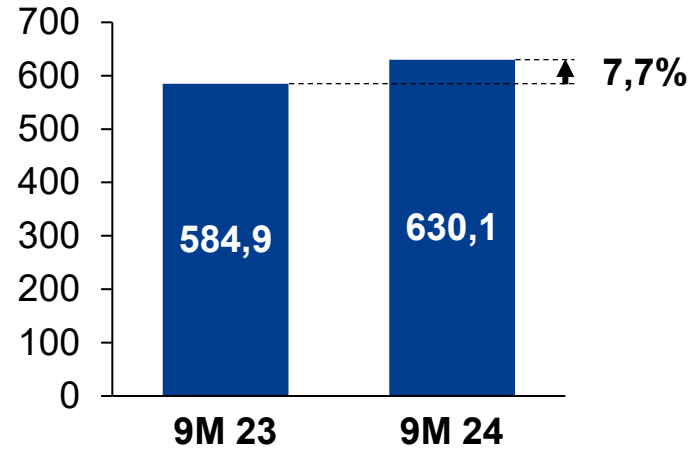


■ Service Revenue
■ Hardware Revenue

- €3,017.2m revenue (- 0.5 %)
 - €2,478.7m service revenue (+ 2.5 %)
 - €538.5m other revenue (- 12.1 %)
especially with smartphones
- ➔ + 3.2 % service revenue without impact from regulatory reduction in mobile termination fees

EBITDA by segments

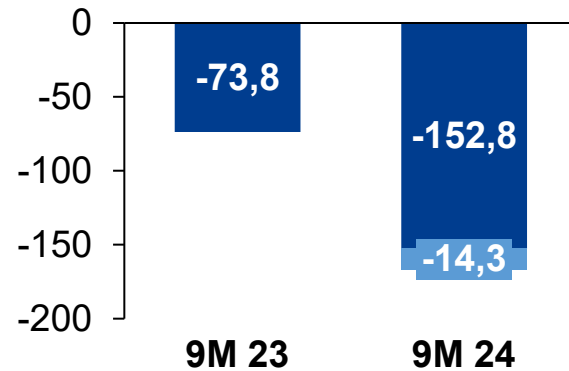
EBITDA Segment „Access“ (in €m)



Segment „Access“

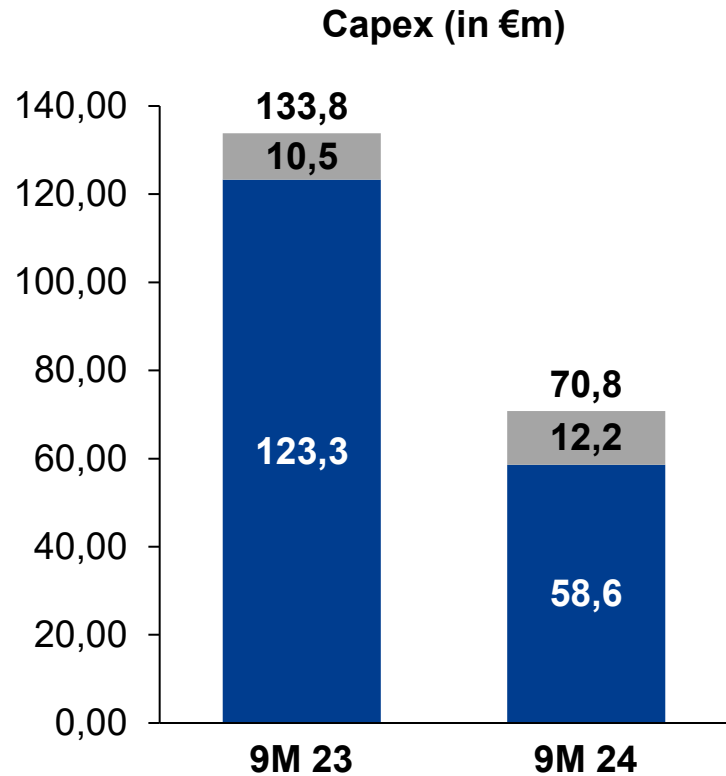
- €630.1m operating EBITDA (+ 7.7 %)

EBITDA Segment „1&1 Mobile Network“ (in €m)



Segment „1&1 Mobile Network“

- - €167.1m EBITDA
of which -€14.3m out-of-period expenses



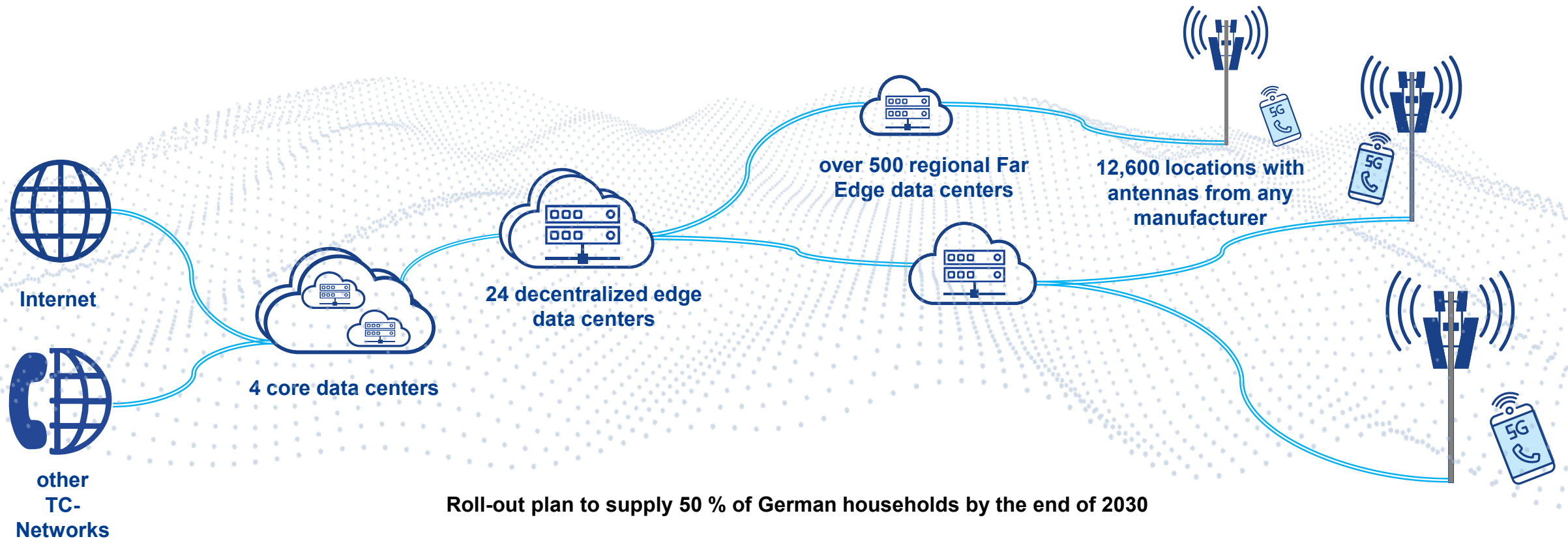
■ Segment Access
■ Segment 1&1 Mobil Network

- €70.8m Capex
 - €12.2m segment „Access“
 - €58.6m segment „1&1 Mobile Network“, due to phasing effects

1&1 Mobile Network

Europe's first Open Ran

- **Software** in a private cloud implements all network functions on **standard servers**



Differentiation from traditional networks

- **Open System**

- Standardized Interfaces
- Almost 100 partner companies
- Independent of dominant manufacturers such as HUAWEI

- **Ready for real-time applications**

- Gigabit antennas at all locations, connected via fiber optics
- Data processing possible directly on site (in far-edge data centers)

- **Low electricity consumption**

- Savings potential* of 10 to 30 % compared to conventional networks



Latest developments (1/2)

- **Network development and operation**

- Significant work to expand capacity completed
- Core data centres (CDC 3 and CDC 4) in operation since November
- Approximately 10,000 migrations (existing customer) per day, increasing to 30,000 to 50,000 in the coming weeks, after strongly reduced migration period between June and November (following the outage at the end of May 2024)

- **Dialogue with partners**

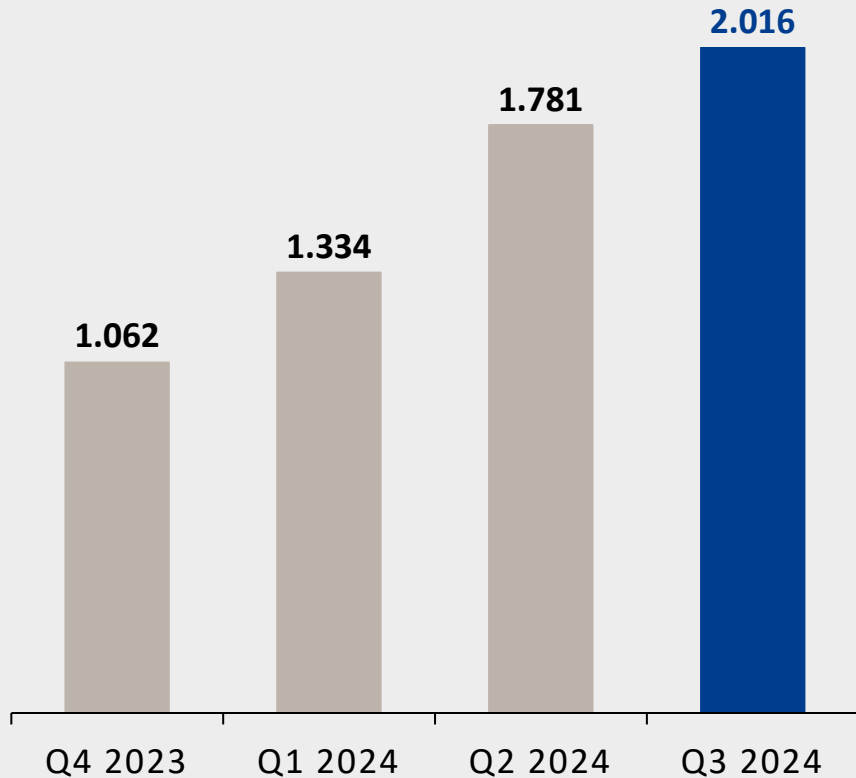
- Negotiations to compensate for the damage caused by the outage are to be concluded by January 2025.

Latest developments (2/2)

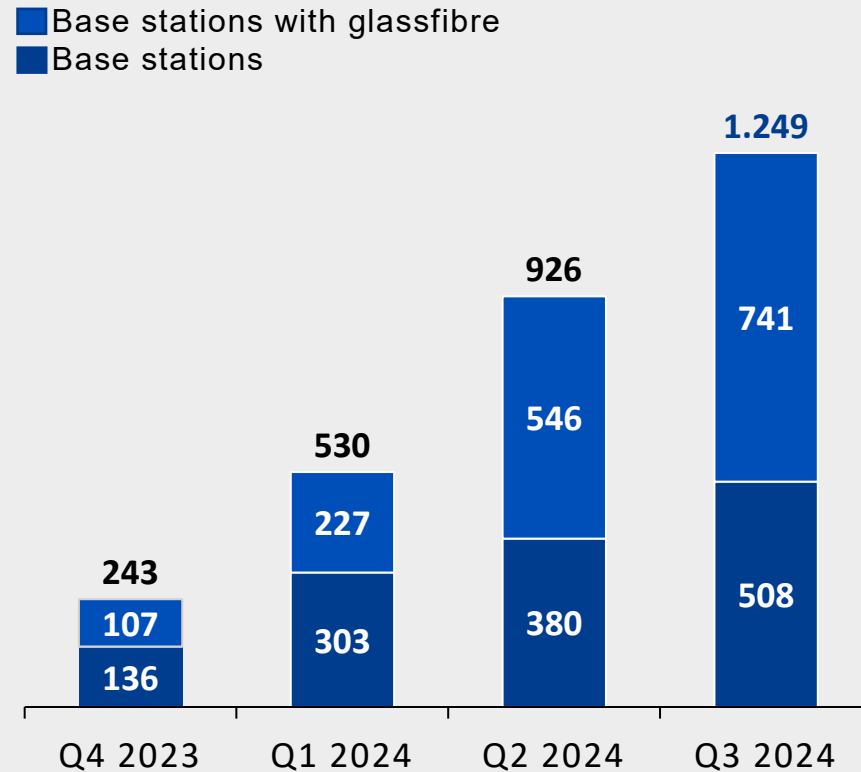
- **2019 frequency auction ruled illegitimate (Cologne Administrative Court)**
 - The final reasons for the judgment are not yet available
 - No information yet from the BNetzA regarding any consequences that may arise from this
- **BNetzA seeks to extend frequency rights expiring at the end of 2025**
 - Due to the current situation, a final decision is not expected before 2025
 - The interests of 1&1 (low band access) will be taken into account as part of an overall solution
 - Prerequisites for an interim solution from 1&1's point of view
 - Sufficient frequency quantities at reasonable conditions to supply all 1&1 customers
 - The cooperative use proposed by the BNetzA is technically feasible

Good progress with the construction of the antenna sites

Antenna locations, total



Antenna locations with base stations



Financials 9M 2024

(in €m)	9M 23	9M 24	Change
Revenue	3,031.8	3,017.2	- 0.5 %
Cost of Sales ^{(1), (2)}	- 2,142.7	- 2,190.8	+ 2.2 %
Gross profits from turnover	889.1	826.4	- 7.1 %
<i>thereof gross profit on Access</i>	<i>985.8</i>	<i>1,045.7</i>	<i>+ 6.1 %</i>
<i>thereof gross profit from 1&1 mobile network</i>	<i>-96.7</i>	<i>- 219.3</i>	
Distribution costs	- 387.0	- 390.6	- 0.9 %
Administration costs ⁽²⁾	- 85.9	- 86.0	+ 0,1 %
Other operating income/expenses	24.9	27.6	+ 10.8 %
Impairment losses on receivables and contract Assets	- 77.4	- 89.9	+ 16.2 %
Profit/loss from operating activities	363.7	287.5	- 21.0 %
Financial result	6.3	-1.0	
Profit before taxes	370.0	286.5	- 22.6 %
Tax expense	- 117.0	- 90.2	- 22.9 %
Consolidated result	253.0	196.3	- 22.4 %

(1) Of which -€61.8 million depreciation (previous year: -€34.5 million) in the 1&1 Mobile Network segment

(2) In order to improve comparison, the sales and administrative costs in the 1&1 mobile network segment were adjusted for the 2023 reporting period

Balance Sheet

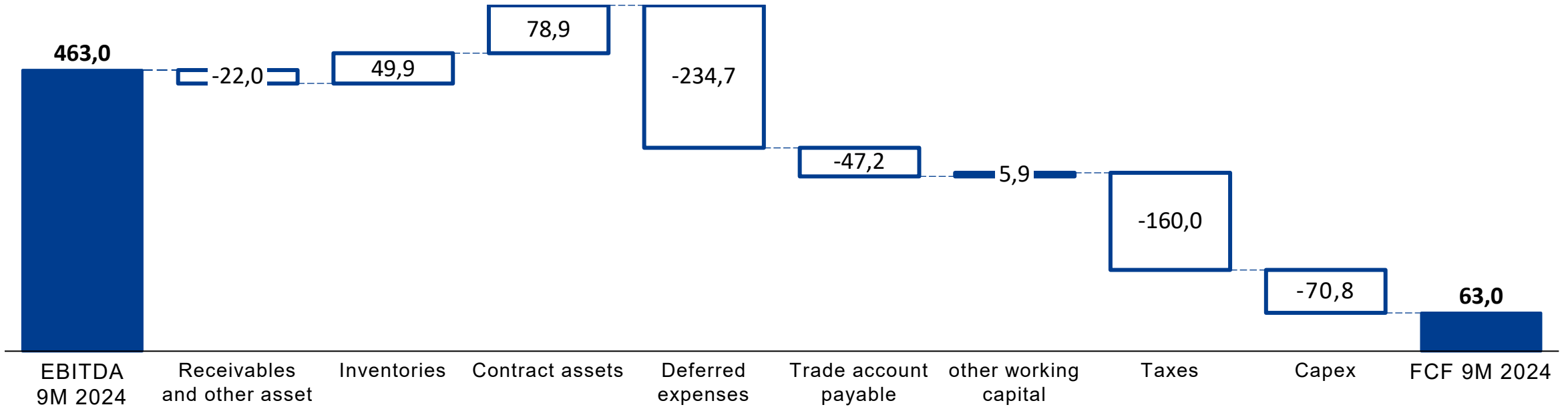


(in €m)	31 December 2023	30 September 2024	Change
Short term assets	1,927.8	1,939.2	+ 0.6 %
<i>thereof receivables from affiliated companies</i>	434.3	433.7	- 0.1 %
<i>thereof inventories</i>	178.0	128.1	- 28.0 %
Long term assets	5,812.5	6,100.6	+ 5.0 %
<i>thereof tangible assets</i>	501.0	720.8	+ 43.9 %
Short term liabilities	716.6	673.1	- 6.1 %
Long term liabilities	1,136.6	1,289.7	+ 13.5 %
<i>thereof leasing liabilities</i>	170.5	314.4	+ 84.4 %
Equity	5,887.1	6,077.0	+ 3.2 %
Balance sheet total	7,740.3	8,039.8	+ 3.9 %
Equity ratio	76.1 %	75.6 %	

(in €m)	9M 23	9M 24	Change	Comments
Net inflow of funds from operating activities	213.0	133.8	-37.2 %	<ul style="list-style-type: none"> +€373.4m Cash flow from operating activities -22.0m from the change in trade receivables and other assets +€78.9m from change in contract assets +€49.9m from change in inventories -€234.7m from change in deferred expenses -€47.2m from change in (L&L) trade payables -€58.5m from change in income tax liabilities -€6.0m from change in other working capital
Cash flow from investment activities	- 181.4	-73.7	- 59.4 %	<ul style="list-style-type: none"> -€70.8m Capex -€15.5m Investment of free cash with United Internet +€12.8m Interest received, mainly from cash investment at UI
Cash flow from financing activities	- 32.6	-59.3	- 81.9 %	<ul style="list-style-type: none"> -€10,8m Repayment of lease liabilities -€8.8m Dividend payment -€30.2m Other payments with interest nature -€9.5m Interest payments from leases
Free cash flow ⁽¹⁾	79.2	63.0	- 20.5 %	

(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)



	EBITDA	Receivables and other asset	Inventories	Contract assets	Deferred expenses	Trade account payable	other working capital	Taxes	Capex	FCF
Q1	182,3	-20,8	41,7	12,6	-17,5	-30,8	3,3	-82,2	-10,1	78,5
Q2	144,3	-30,4	10,0	31,0	-215,2	-14,6	3,0	-41,2	-23,9	-137,0
Q3	136,4	29,2	-1,8	35,3	-2,0	-1,8	-0,4	-36,6	-36,8	121,5

Incl. advance payment for FTTH/VDSL contingent contract Deutsche Telekom

Outlook 2024

- Service revenue ca. €3.31 billion (2023: €3.243 billion), so far ca. €3.33 billion
- EBITDA ca. + 5 % to ca. €686 million (2023: €653.8 million), incl. €14.3m out-of-period expenses,
 - Segment Access ca. + 9 % to ca. €860 million (2023: €786.2 million)
 - Segment 1&1 Mobile Network including out-of-period expenses ca. €14 million to ca. - €174 million start-up costs (2023: - €132.4 million)
- Ca. €460 million cash capex (2023: €295.6 million) in particular for the mobile network build

Our success story
continues!

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

1&1 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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