

PRESS RELEASE

1&1 Drillisch AG - Good Start to the Year

- Customer contracts: +100,000 to 14.43 million
- Revenues: +4.2 percent to €940.7 million
- Service revenues: +3.7 percent to €747.8 million
- EBITDA: €164.0 million compared to €168.5 million in the previous year; comparable EBITDA: +4.3 percent
- Earnings per share: EUR 0.50 (unchanged from previous year, despite special effects)
- 2020 forecast confirmed

Maintal, 13 May 2020 - 1&1 Drillisch AG (ISIN DE 0005545503) was able to increase the number of customer contracts across all customer groups in comparison with 31 December 2019 by 100,000 to 14.43 million contracts in Q1 2020. In the mobile internet business, it was possible to acquire 110,000 customer contracts, raising the number of contracts to 10.10 million. Broadband lines declined slightly by 10,000 DSL contracts to 4.33 million.

Revenues rose by 4.2 percent to €940.7 million in Q1 2020 (Q1 2019: €902.5 million). The high-margin service revenues increased in Q1 by 3.7 percent to €747.8 million (Q1 2019: €720.8 million). The figure includes positive revenue effects of €+3.1 million that resulted from temporary changes in customer use patterns as a consequence of the coronavirus crisis (particularly in the area of telephony, including regulations for working from home and sheltering-in-place restrictions). Precluding this positive effect, service revenues would have increased by 3.3 percent.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) in Q1 2020 at €164.0 million declined over the previous year (Q1 2019: €168.5 million). This decline is due to one-offs from integration projects and initial costs for the establishment of the 5G network as well as negative effects from regulatory decisions and the temporary change in usage behaviour as a consequence of the coronavirus crisis. These effects had an overall negative impact of €-14.9 million (Q1 2019: €-3.1 million) on the key earnings indicators. Precluding the aforementioned effects, comparable EBITDA would have risen by 4.3 percent.

Free cash flow increased significantly by €82.8 million from €14.7 million in the previous year to €97.5 million in Q1 2020. At this time, 1&1 Drillisch has about €330 million free available cash.

Outlook

The Company expects further customer growth for the year 2020 as a whole. As a consequence of the uncertainties in the overall economic framework conditions resulting from the coronavirus crisis, the Company confirms its forecast and expects revenues and EBITDA to remain unchanged at approximately the same level as last year. This forecast is subject to uncertainties as it is not possible at present to make an exact assessment of the duration and effects of the coronavirus crisis. 1&1 Drillisch will analyse the impact of the crisis on business development in the coming weeks and months and is planning a more specific update of the forecast as part of the semi-annual report 2020.

Performance indicators pursuant to IFRS - comparison Q1 2019 v. Q1 2020

in €m Q1 2019 Q1 2020 Change

Revenue	902.5	940.7	+4.2 %		
Service revenues	720.8	747.8	+3.7 %		
EBITDA	168.5	164.0	-2.6 %		
EBIT without PPA write-offs		157.4	154.2	-2.1 %	
EBIT	128.8	126.4	-1.9 %		
Profit per share in € excluding PPA write-offs		0.62	0.61	-1.0 %	
Profit per share in €	0.50	0.50			
Customer contracts in millions	13.72	14.43	+5.2 %		
of which mobile internet	9.37	10.10	+7.8 %		
of which broadband lines (VDSL, ADSL, FTTH)	4.35	4.33	-0.5 %		

The intermediate report will be made available on the Company's home page on 13 May 2020.

<https://www.1und1-drillisch.de/investor-relations/reports>

Maintal, 13 May 2020

1&1 Drillisch AG

The Management Board

Disclaimer: This report contains statements regarding the future which are based on the current assumptions and projections of the 1&1 Drillisch AG management. Various risks, uncertainties and other factors, both known and unknown, can cause actual developments, especially in the results, financial position, and the business of our Company, to deviate substantially from the projections about the future as they are shown here. The Company does not undertake any obligation to update such future-oriented statements and to adapt them to future events or developments.