

freenet Group publishes annual report 2018 and confirms preliminary results

Büdelsdorf, 25 March 2019 – Following verification of the annual financial statements of the freenet Group [ISIN DE000A0Z2ZZ5] as of 31 December 2018 and approval of the consolidated financial statements by the Supervisory Board, the Executive Board has confirmed the preliminary figures announced on 28 February 2019. The complete annual report 2018 including the audited consolidated financial statements is available for download at <https://www.freenet-group.de/investor>.

Key performance indicators for the freenet Group¹

In EUR million/as indicated	2018	2017
Operations		
Revenue without IFRS 15 effects	3,659.2	3,507.3
Revenue	2,897.5	3,507.3
Gross profit	903.7	949.8
EBITDA	485.5	541.2
EBITDA exclusive of Sunrise	441.3	408.0
EBIT	337.1	373.0
EBT	234.0	322.7
Consolidated profit	212.2	275.6
Earnings per share in EUR ²	1.74	2.24
Dividend per share in EUR	1.65 ³	1.65
Balance sheet		
Total equity and liabilities	4,634.7	4,314.1
Equity	1,280.8	1,462.9
Equity ratio in %	27.6	33.9
Finances and investments		
Free cash flow	326.1	342.8
Free cash flow exclusive of Sunrise	289.2	308.4
Net investments ⁴ (CAPEX)	43.3	42.5
Net debt	644.1	510.0
Pro forma net debt	1,596.6	1,350.3
Leverage	1.3	0.9
Customer-related figures		
Postpaid ARPU in EUR	21.6	21.4
Postpaid ARPU without hardware (IFRS 15) in EUR	19.0	-
Postpaid customers ⁵ in million	6.896	6.711
freenet TV subscribers (RGU) ⁵ in million	1.014	0.902
waipu.tv subscribers ⁵ in million	0.252	0.102

¹ For the definition of the key performance indicators we refer to section "Alternative performance measures" in the annual report 2018.

² Basic and diluted.

³ The dividend will be paid subject to resolution at the Annual General Meeting in May 2019.

⁴ Payments to acquire property, plant and equipment and intangible assets, less proceeds from disposal of intangible assets and property, plant and equipment.

⁵ At the end of period.

Forecast for the 2019 financial year

The company expects stable revenue development in the 2019 financial year. EBITDA based on EBITDA 2018 exclusive of Sunrise and profits of analogue radio sale (402.2 million euros) is expected to come in between 420 and 440 million euros. This figure includes effects from the application of IFRS 16 in the amount of 30 to 40 million euros. Taking the new definition into account, free cash flow is anticipated to

be between 240 and 260 million euros. In the Mobile Communications segment, the number of postpaid customers is forecasted to increase moderately in 2019. In the TV and Media segment, waipu.tv subscribers are assumed to grow to more than 350,000 customers and freenet TV customers (RGU) are expected to stabilise at more than 1 million customers.

Dividend continuity

Based on the results achieved, the Executive Board and Supervisory Board of the freenet Group will propose a dividend of 1.65 euros per share for the financial year 2018 at the Annual General Meeting on 16 May 2019.

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