



May 2017

DRILLISCH AG

Company Presentation
Q1 2017

This presentation contains statements and forecasts related to future developments; they express the current assessments of the Drillisch AG management.

These assessments and statements may be subject to changes and/or uncertain general conditions which, in the majority of cases, are difficult to predict and are beyond the control of Drillisch AG.

Drillisch AG does not assume any obligation in the event of changes in these general conditions to publish the information on which the assessments and statements are based or to announce any revisions of the information.

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Highlights



Financial Indicators



Outlook



Q1 2017 - Successful company story continues

- Improvement in the major indicators
 - Budget subscribers +46.1% to 3.068m (Q1 16: 2.1,)
 - EBITDA +46.4% to €35.1 million (Q1 16: €24.0 million)
 - EBITDA Margin 23.0% (Q1-16: 13.8%)
- Ahead of time realisation of regulatory changes (roaming from June 2017)
- Ahead of time adaption or product portfolio
 - Domestic rate plans for customer, who do not travel abroad – with a clear price advantage
 - International rate plans, incl. EU package and additional countries (Norway, Switzerland)

2017 and beyond - only MVNO at peer level with network operators

- EBITDA forecast of €160-170m for 2017 confirmed (2016: €120.2 million)
- Unrestricted access to all current and future technologies in the TEF D network
- Drillisch can act as an MNO but with a sustained lower CAPEX obligation than a network operator

Continuation of Successful History of the Company

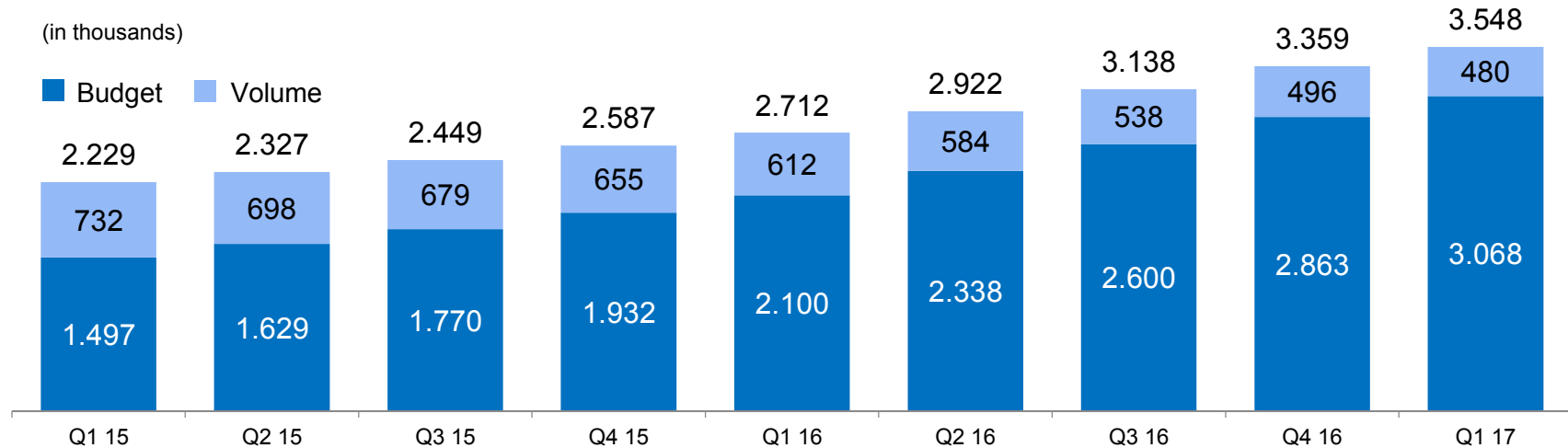


Highlights
Financial Indicators
Outlook

Drillisch Subscriber Development

Focus on MVNO Subscriber Development

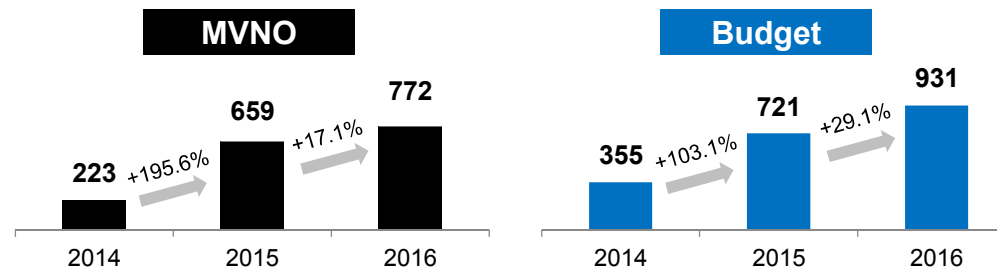
(in thousands)



Sustained good net-add trends

Category	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17
MVNO	+138T	+125k	+210k	+216k	+221k	+189k			
Budget	+162T	+168k	+238k	+262k	+263k	+205k			

2014 to 2016:
Dynamic and sustained net-add trends



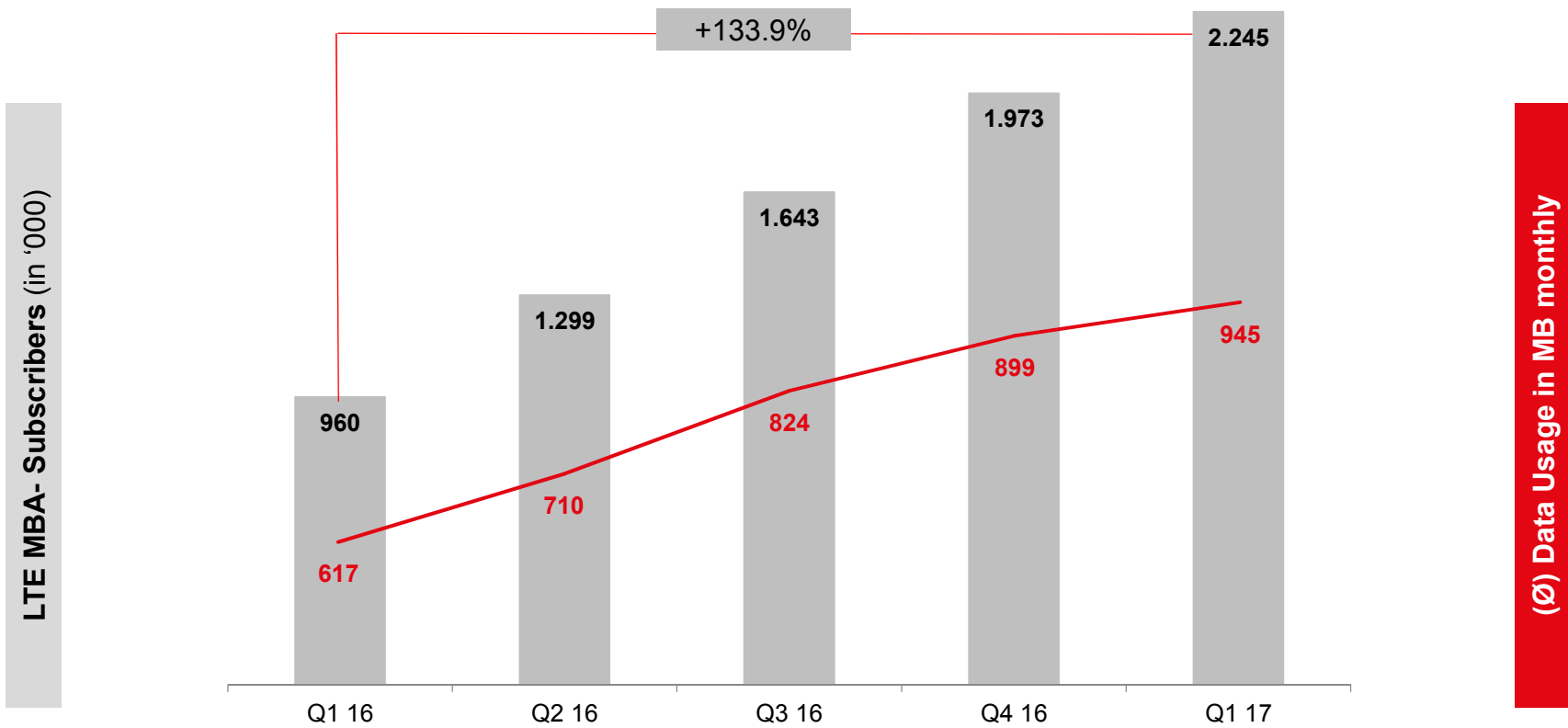
Strong and sustained net-add trends – especially dynamic development for budget subscribers



Highlights
Financial Indicators
Outlook

Highlights

LTE Subscriber and Data Usage



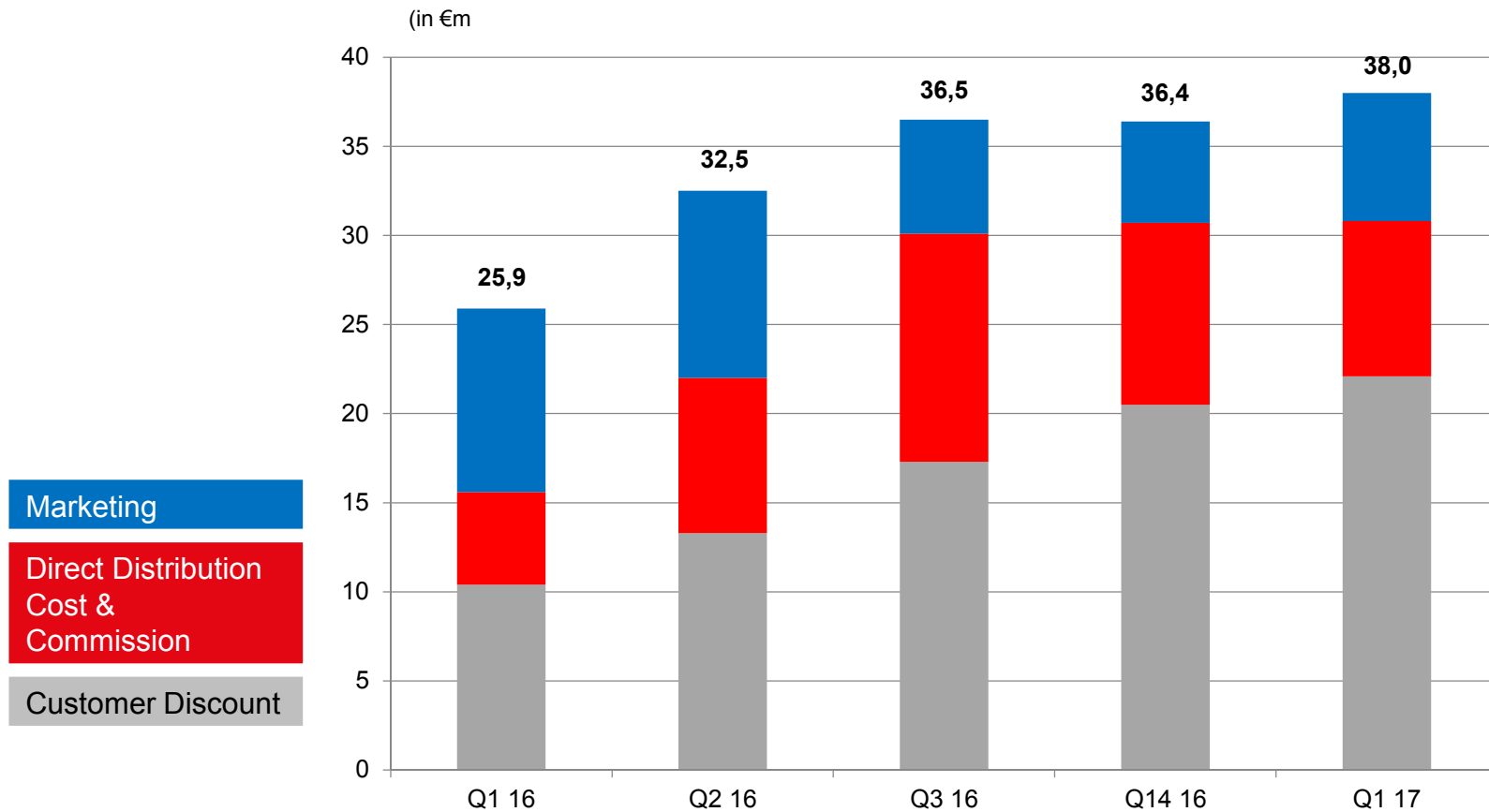
Dynamic Growth in Subscriber Base and Monthly Usage



Highlights
Financial Indicators
Outlook

Highlights

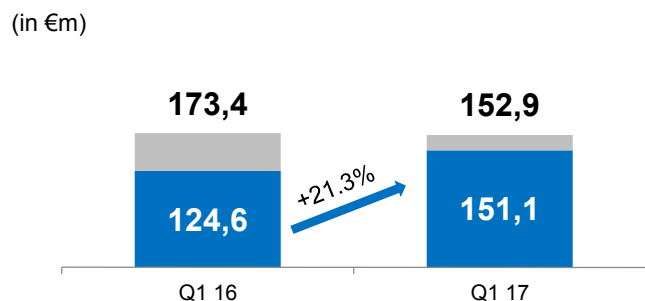
Sustained Investment in Subscriber Growth



Balanced Mix of Marketing, Commission and Customer Discount

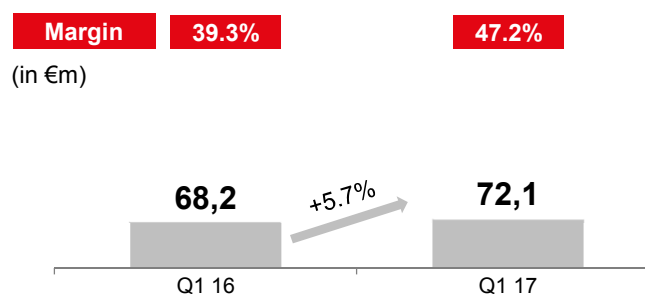
Highlights Q1 2017 vs. Q1 2016

Revenue



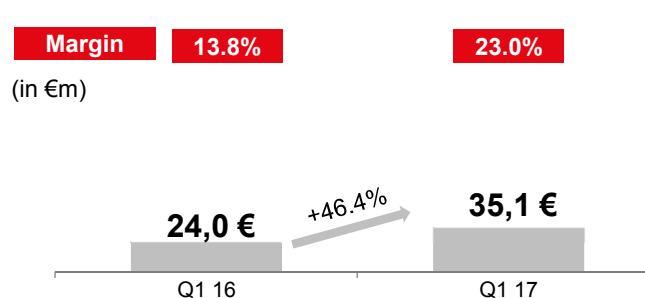
- Service Revenue +21.3% to €151.1 million
- MBA Service Revenue (incl. customer advantages) +49.5% to €134.9 million
- Adjusted for customer advantages (=cost of distribution) MBA Service Revenue increased by 41.3% to €112.8 million

Gross Profit



- Gross Profit rose by €3.9m as a consequence of the continued growth in subscribers and qualitative improvement of the rate plan mix.
- Investment in future growth by shifting marketing to COGS for direct investment in subscriber growth

EBITDA



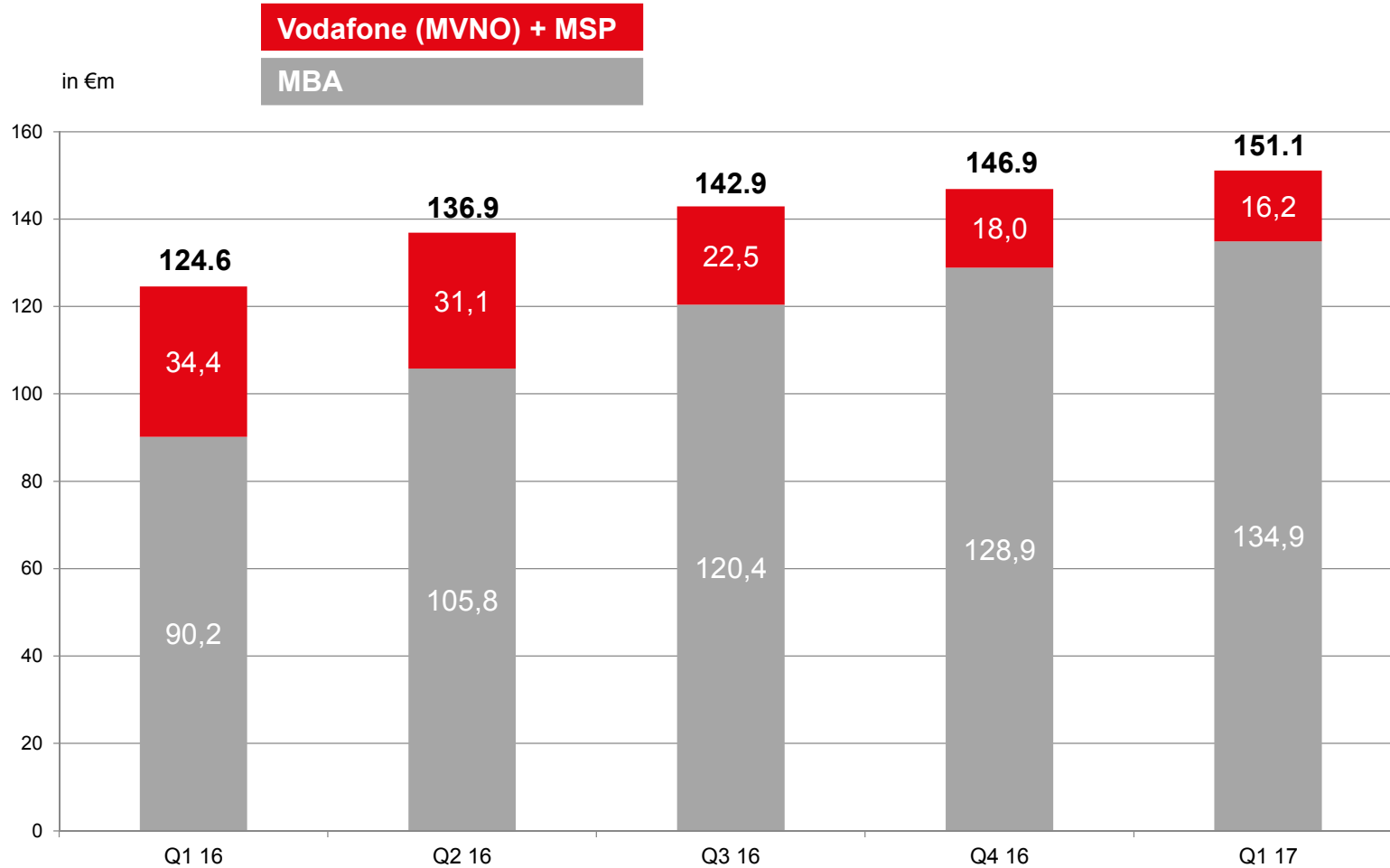
- Segment Online €36.8 million (Q1-16: €27,5 million)
- Segment Offline € -0.6 million (Q1-16: € - 2.4 million)

Excellent development in Q1 2017 – Guidance 2017 reconfirmed



Highlights
Financial Indicators
Outlook

Service Revenue

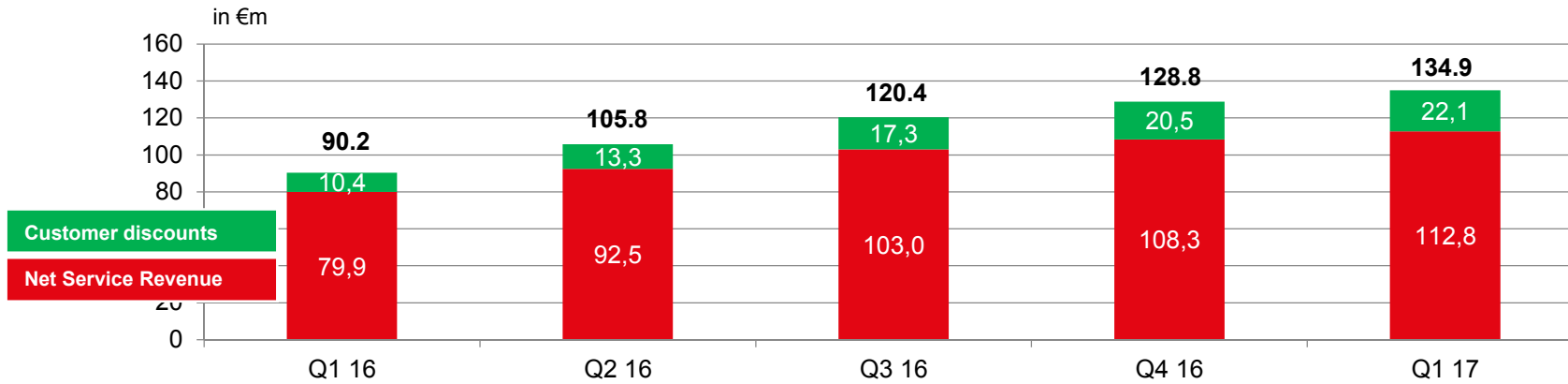


Sustainable Growth in MBA Service Revenue

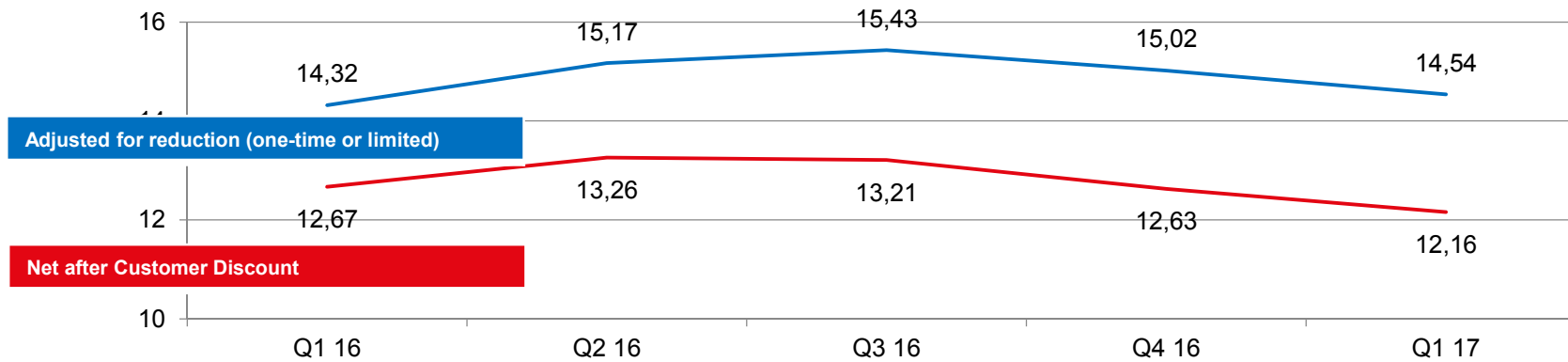


MBA Service Revenue

MBA Service Revenue Gross/Net ¹



Revenue per MBA Subscriber



(1) Gross-> including customer benefits
 Net- > after the diduction of discounts

31 December 2016

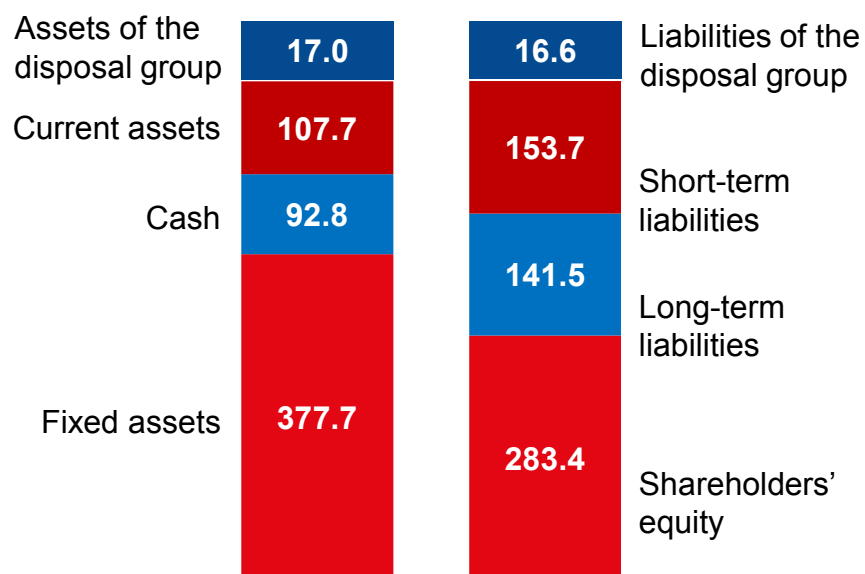
31 March 2017

(in €m)

ASSETS **EQUITY AND LIABILITIES**

595.2

595.2

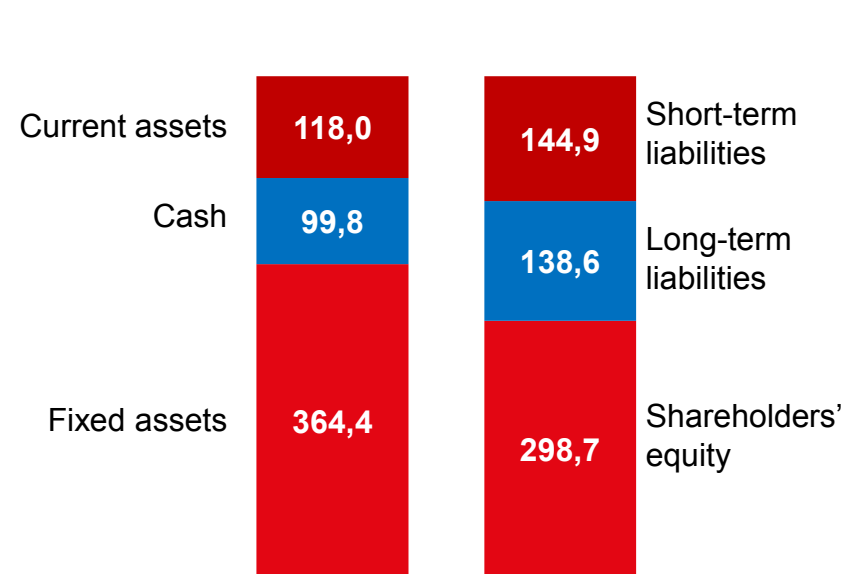


(in €m)

ASSETS **EQUITY AND LIABILITIES**

582.2

582.2



Equity ratio 51.3% (31/12/2016: 47.6%)

(in €m)	Q1 2016	Q1 2017
Cash flow from current business activities	(10.3)	12.8
Cash flow from investment activities	(2.5)	(5.4)
Cash flow from financing activities	(47.9)	(0.4)
Free cash flow ⁽¹⁾	(11.5)	7.3

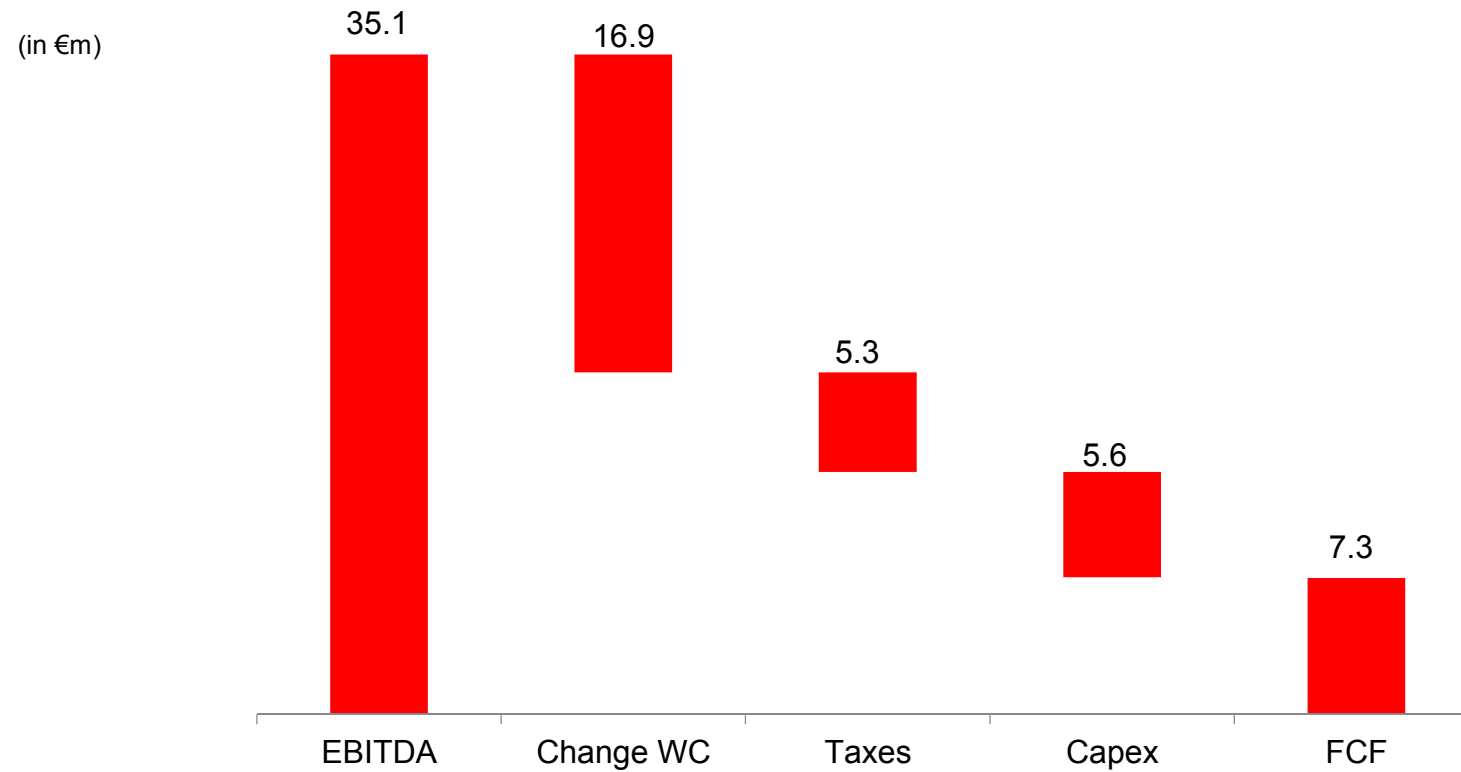
- €5.6 million in payments for investments in tangible and intangible assets
- €0.2 million in interests received
- €0.4 million total outflow resulting from €0.2 million in interest paid and €-0.3 million related to changes in the investment liabilities. Last year, outgoing payments resulted from the change in the Other financial liabilities

(1) Definition of FCF: cash flow from current business activities less CAPEX



Highlights
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FCFlow Bridge Q1 2017





Highlights
Financial Indicators
Outlook

Takeaways

A good start ...

Year-on-year Rate:

- + 30.8% MVNO Subscribers to 3.548 million
- + 46.1% Budget Subscribers to 3.068 million

in comparison with Q4 2016:

- + 5.6% MVNO Subscribers
- + 7.2% Budget Subscribers



EBITDA y-oy:

+46,.% EBITDA to €35.1 million



Dividend proposal of €1.80 per dividend entitled share (General Meeting 18th May 2017)

...and outlook confirmed

Continued growth in subscribers and Service Revenue

EBITDA Outlook 2017:
+ ~40% to €160-170 million
Back-End-Loaded

Sustainable and attractive share holder value policy



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Thank you for your attention!

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