

## PRESS RELEASE

Publication of preliminary second quarter results for fiscal year 2019

### **Tele Columbus grows Revenue and EBITDA in Q2 and confirms guidance for 2019**

- **Revenue at EUR 126.3m, up 8.4% year on year**
- **Normalised EBITDA at EUR 58.4m, up 10.9% year on year (pro-forma IFRS 16: EUR 56.4m, up 7.2% year on year)**
- **Capex at EUR 24.6m, down 46.2% year on year (pro-forma IFRS 16: EUR 22.8m, down 50.1% year on year)**
- **Management confirms full-year 2019 and mid-term outlook**

Berlin, 20 August 2019. Tele Columbus AG (ISIN: DE000TCAG172, WKN: TCAG17, "Tele Columbus", "the Company" or "the Group"), one of Germany's leading fibre-based network operators, today published its preliminary results for the second quarter of fiscal year 2019.

In the second quarter, Tele Columbus announced further successful prolongation agreements and upgrades to its network totaling more than 60,000 homes connected. This follows the Company's strategy to focus on the efficient delivery of FTTB/H (fibre to the building/home) infrastructure to the German housing industry.

Over the past 12 months to June 2019, the Company digitalised TV and radio connections across its Germany-wide footprint thereby freeing up spectrum. This paves the way for the roll-out of the new telecommunication standard DOCSIS 3.1 and the launch of the Company's first gigabit offerings for 1 million citizens in Berlin on 12 August.

Tele Columbus' continued efforts to improve product quality and customer experience have recently also been confirmed by three German leading independent expert magazines. These tests were based, amongst others, on several million speed tests performed by customers. The tests highlight Tele Columbus as a price-value leader and put its network performance in first place in five German *Bundesländer*.

Moreover, the recently performed service quality test conducted by Connect underlined Tele Columbus' operational progress. The test results showed that Tele Columbus' customer service hotline won against the German cable competition.

Management Board  
Timm Degenhardt (CEO)  
Eike Walters

Chairman of the Supervisory Board  
André Krause

Registered office of the company  
Kaiserin-Augusta-Allee 108  
10553 Berlin, Germany  
District Court  
Berlin Charlottenburg  
HRB 161349 B

Press contact  
Silke Bernhardt  
Director Corporate Communications  
Phone +49 (30) 3388 4170  
presse@telecolumbus.de  
www.telecolumbus.com

IR contact  
Leonhard Bayer  
Senior Director Investor Relations  
Phone +49 (30) 3388 1781  
ir@telecolumbus.de  
www.telecolumbus.com

The consumer business performed in-line with expectations but showed a mixed RGU development. The IP customer base expanded by 6,000 RGUs year on year whereas fixed-voice RGUs continued to decline. CATV RGUs declined by 50,000 year on year as the market trend continues to be negative and Premium TV RGUs were broadly flat.

Tele Columbus' B2B business successfully continued its double-digit growth in the second quarter driven by differentiated products across the carrier segment as well as cloud and data security solutions. In addition, the B2B division also showed a margin expansion of 8.1 percentage points to 70.7% year on year in the second quarter leveraging on-net growth opportunities across the integrated footprint.

"Improving leading indicators across all areas of the business are proving that the transformation of Tele Columbus is progressing well. As a result of the positive development over the past 12 months, I am confident that we will be able to reach our goals for 2019", states Timm Degenhardt, CEO of Tele Columbus AG.

## **Preliminary Q2 Financial Performance**

Revenues in the second quarter of 2019 increased by 8.4% year on year to EUR 126.3 million. This was mainly driven by a strong B2B performance with revenues increasing by 26.3% year on year and construction revenues. Moreover, Internet and Telephony revenues increased slightly on the back of the price increases and positive net additions driving revenues up to EUR 35.5 million, an increase of 1.8% year on year. The TV revenue decline slowed sequentially to 2.9% year on year to EUR 59.4 million as a result of RGU losses in a structurally challenging market.

Normalised EBITDA increased by 10.9% year on year to EUR 58.4 million (pro-forma IFRS 16: EUR 56.4 million, up 7.2% year on year). This was mainly the result of higher B2B revenues coming at attractive margins as well as cost discipline across all areas and lower TV signal fees. Non-recurring costs continued to decline to EUR 8.0 million down 44.6% year on year and are expected to decline further in the remainder of the year. Reported EBITDA increased strongly by 31.8% year on year to EUR 50.4 million (pro-forma IFRS 16: EUR 48.4 million).

Capex in the second quarter of 2019 decreased significantly by 46.2% year on year to EUR 24.6 million (pro-forma IFRS 16: EUR 22.8 million, down 50.1% year on year) as a result of a high comparable base that was impacted by integration-related investments as well as pent-up demand for capacity initiatives last year.

As of 30 June 2019, the Group reported approximately 3.4 million homes connected. The number of homes connected and upgraded for two-way communication on the Company's own network increased by 9,000 sequentially to 2,340,000 in the second quarter 2019 which represents a ratio of 69.0%. Moreover, by the end of June the

Company served 2,304,000 unique subscribers, a decrease of 4k sequentially, which translates into 2,258,000 CATV RGUs (11,000 less quarter on quarter), 553,000 Premium TV RGUs (1,500 less quarter on quarter), 577,000 Internet RGUs (1,800 more quarter on quarter) and 431,000 Telephony RGUs (3,200 less quarter on quarter).

## Guidance 2019

On the back of the preliminary second quarter results which came in line with internal expectations and continued progress in the transformation of the Company, the management board confirms its guidance for 2019:

- Broadly stable Homes Connected versus year-end 2018
- Broadly stable Revenues year on year
- Broadly stable Normalised EBITDA year on year
- Broadly Stable CAPEX year on year

## Upcoming events

21 August 2019: Q2 2019 Results Conference Call at 10:00am CEST ([click here](#))

29 August 2019: Release of half-year report for fiscal year 2019

29 August 2019: Annual General Meeting (Berlin)

29 November 2019: Release of third quarter results for fiscal year 2019

## Summary table (under IFRS 16)

€m	Q2 2018	Q2 2019	yoy %	H1 2018	H1 2019	yoy %
Revenues	116.6	126.3	8.4	240.0	246.5	2.7
Normalised EBITDA	52.6	58.4	10.9	118.0	115.2	(2.4)
<i>Normalised EBITDA margin, %</i>	<i>45.1</i>	<i>46.2</i>	<i>1.1ppt</i>	<i>49.2</i>	<i>46.7</i>	<i>(2.5)ppt</i>
Reported EBITDA	38.3	50.4	31.8	92.7	97.9	5.6
<i>Reported EBITDA margin, %</i>	<i>32.8</i>	<i>39.9</i>	<i>7.1ppt</i>	<i>38.6</i>	<i>39.7</i>	<i>1.1ppt</i>
Capex	45.7	24.6	(46.2)	77.1	66.4	(13.9)
<i>Capex / Revenues, %</i>	<i>39.2</i>	<i>19.5</i>	<i>(19.7)ppt</i>	<i>32.1</i>	<i>26.9</i>	<i>(5.2)ppt</i>
RGU as per end of period (in '000) <sup>1</sup>						
CATV	2,302	2,258		2,302	2,258	
Internet <sup>2</sup>	571	577		571	577	
Telephony <sup>3</sup>	456	431		456	431	
PremiumTV	559	553		559	553	

1) RGUs reflect the KPI adjustment per Q3 2018

2) Internet RGUs include individually-billed B2C, B2B and 91k bulk RGUs

3) Telephony RGUs include individually-billed B2C, B2B and exclude 91k bulk RGUs

## About us

Tele Columbus AG is one of Germany's leading fibre network operators which reaches more than 3 million homes. Via its brand PÿUR, the Company, offers high-speed internet including telephony and more than 250 TV channels. All of this via a digital entertainment platform that combines linear TV with video on demand entertainment. To its housing association partners the Tele Columbus Group offers tailored models of cooperation and state-of-the-art services such as telemetric and tenant portals. As a full-service partner for municipalities and regional utilities, the Company is actively supporting the fibre-based infrastructure and broadband internet expansion in Germany. For its business customers the Group offers carrier services and

corporate solutions on its proprietary fibre network. Besides its headquarter in Berlin, the Company has locations in Hamburg, Leipzig, Ratingen and Unterföhring/Munich. Since January 2015, Tele Columbus AG is listed on the regulated market (Prime Standard) of the Frankfurt Stock exchange.

## ***Disclaimer***

This release may contain forward-looking statements. These statements reflect the Company's current knowledge and expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties, assumptions and other factors that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. Such risks, uncertainties and assumptions may cause our actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this release may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. Accordingly, investors are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this document.

This release contains references to certain non-GAAP financial measures, such as Normalized EBITDA and Capex, and operating measures, such as RGUs, ARPU, and Unique Subscribers calculations. These non-GAAP financial and operating measures should not be viewed in isolation as alternatives to measures of the Company's financial condition, results of operations or cash flows as presented in accordance with IFRS. The non-GAAP financial and operating measures used by the Company may differ from, and not be comparable to, similarly titled measures used by other companies.

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