



freenet

fertig, **los!**

Q1/2024

**Quarterly Statement
1 January – 31 March 2024**

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Please note that there may be arithmetical rounding differences in the subtotals and final totals due to the number format, as the figures have been rounded to one decimal place. Furthermore, the conversion of units of measurement (e.g. thousands to millions) can lead to a result of 0.0 or –0.0 for recognised items.

Key figures

Operational key figures

In EUR million / as indicated	Q1/2024	Q1/2023	Change	
			absolut	relative
Revenues	638.9	637.8	1.1	0.2%
Gross profit	236.7	228.8	7.9	3.4%
EBITDA	124.2	128.1	-3.9	-3.0%
Adjusted consolidated profit ¹	64.9	60.3	4.6	7.6%
Adjusted earnings per share (in EUR) ^{1,2}	0.55	0.51	0.04	8.1%

Subscribers

In '000s	31.3.2024	31.12.2023	Change	
			absolut	relative
Postpaid customers	7,437.6	7,418.3	19.2	0.3%
App-based tariffs ³	122.3	121.3	1.0	0.8%
freenet TV subscribers (RGU)	561.7	583.8	-22.1	-3.8%
waipu.tv subscribers	1,507.9	1,369.3	138.6	10.1%
Number of subscribers (Total)	9,629.5	9,492.7	136.8	1.4%

Balance sheet

As indicated	31.3.2024	31.12.2023	Change	
			absolut	relative
Equity ratio	43.6%	42.1%	1.6PP	3.7%
Leverage (x times EBITDA)	1.0	1.2	-0.1	-11.8%

Cash flow, investments and depreciation/amortisation

In EUR million	Q1/2024	Q1/2023	Change	
			absolut	relative
Free cash flow	71.3	64.6	6.7	10.3%
Net investments (CapEx)	-9.5	-14.4	4.9	-34.0%
Depreciation	-61.6	-88.0	26.4	-30.1%
Thereof amortisation of the mobilcom-debitel trademark	0.0	-49.2	n/a	n/a

Share

As indicated ⁴	31.3.2024	31.12.2023	Change	
			absolut	relative
Share price (in EUR)	26.08	25.34	0.74	2.9%
Market capitalisation (in EUR million)	3,101	3,010	91	2.9%

Employees

	31.3.2024	31.12.2023	Change	
			absolut	relative
Headcount	3,645	3,690	-45	-1.2%
FTE	3,043	3,040	2.2	0.1%

¹ Adjusted for effects from the amortisation of the mobilcom-debitel trademark

² Basic and diluted

³ Includes subscribers of freenet FUNK and freenet FLEX

⁴ Based on Xetra closing price

Letter to our shareholders

Dear shareholders,

The time has come this year – the so-called ancillary cost law (“Nebenkostenprivileg”) will be abolished and German tenants will finally be free to decide which TV connection they want to pay for. From the middle of this year at the latest, landlords will no longer be allowed to charge cable TV fees as ancillary costs. Every tenant can now conclude their own contract with a TV provider of their choice or leave it at that and do without TV. However, the majority of Germans still enjoy watching TV – on average more than three hours a day. This also applies to the approximately 12.5 million households affected by the abolition of the ancillary cost law (“Nebenkostenprivileg”).

“With waipu.tv, freenet is the fastest growing TV provider in Germany!”

Accordingly, TV providers are competing intensively for potential customers. freenet is also seeking to acquire many new customers this year and next year with its IPTV product waipu.tv. We already achieved this in Q1 2024 – we recorded a net increase of almost 140 thousand waipu.tv customers, making us the fastest-growing TV provider in Germany! In order to continue to benefit optimally from the current momentum on the German TV market, we decided last year to invest further in waipu.tv’s brand awareness in 2024. If necessary, even at the expense of increasing EBITDA. Our EBITDA of EUR 124 million in the first quarter of this year is therefore slightly below the previous year (EUR 128 million). We have priced in this development and continue to expect EBITDA of EUR 495 million to EUR 515 million for the 2024 financial year.

“The free cash flow in the first quarter of 2024 underpins our high distributive power despite investment activity.”

The free cash flow of EUR 71 million in this quarter (previous year: EUR 65 million) is evidence of our continued strong cash conversion and underpins our high dividend payout capacity despite our investment activities. For the year as a whole, we expect a free cash flow of between EUR 260 million and EUR 280 million. At just under EUR 640 million, our revenues are on a par with the previous year. With rising service revenue in the Mobile Communication and TV segments, pure hardware revenue fell again this quarter. The main driver here was the decline in revenues at our subsidiary Gravis. This steady trend, coupled with ever-increasing purchase prices, led to a decision that we had to make with a heavy heart in March of this year: the discontinuation of

Gravis’ business operations. Let us emphasise that we had previously pulled out all the stops to avoid the closure of Gravis.

“The decision to close Gravis was more than difficult for us.”

Unfortunately, we did not find the decisive lever, so we decided to close the approximately 40 stores, which mainly sell Apple hardware, in the course of this year. We bought the company in 2013, but in the end we were never able to realise the synergies we had hoped for due to Apple’s increasingly predatory pricing policy. With the closure of the Gravis stores, this division will be classified as a discontinued operation in the course of the year. From then on, all effects from the closure of the business will no longer have any impact on freenet’s financial (and non-financial) key performance indicators, but will be reported separately.

“One thing is certain: From 2025, we want to generate EBITDA of at least EUR 520 million.”

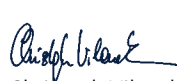
But even in times like these, it is important to look to the future. We will continue to focus on our strategic core competence – the customer-centred sale of subscription models – and expect this to continue to make an increasing contribution to earnings. We are therefore well on the way to achieving our medium-term financial ambition “freenet 2025”, which aims to achieve EBITDA of at least EUR 520 million from the 2025 financial year.

We look forward to seeing you join us on this journey and don’t forget to take care of your TV connection before the summer!

Stay with us.

Sincerely

Your freenet Executive Board



Christoph Vilanek
(CEO)



Ingo Arnold
(CFO)



Nicolé Engenhardt-Gillé
(CHRO)



Stephan Esch
(CTO)



Antonius Fromme
(CCE)



Rickman v. Platen
(CCO)

Business performance

Customer development and earnings performance

The number of subscribers at freenet increased by 136.8 thousand to 9,629.5 thousand in the first three months of the year (year-end 2023: 9,492.7 thousand). While the number of subscribers in the Mobile Communications segment increased by 20.3 thousand to 7,559.9 thousand (year-end 2023: 7,539.6 thousand), the number of TV subscribers increased by 116.5 thousand to 2,069.6 thousand (year-end 2023: 1,953.0 thousand) – in particular due to further record growth at waipu.tv. The waipu.tv subscribers increased by 138.6 thousand and more than compensated for the continued decline in freenet TV subscribers (RGU) of 22.1 thousand.

Table 1: Customer development

In '000s	31.3.2024	31.12.2023	Change	
			absolut	relative
Postpaid customers	7,437.6	7,418.3	19.2	0.3%
App-based tariffs ¹	122.3	121.3	1.0	0.8%
Mobile Communications segment	7,559.9	7,539.6	20.3	0.3%
freenet TV subscribers (RGU)	561.7	583.8	-22.1	-3.8%
waipu.tv subscribers	1,507.9	1,369.3	138.6	10.1%
TV and Media segment	2,069.6	1,953.0	116.5	6.0%
Number of subscribers (total)	9,629.5	9,492.7	136.8	1.4%

¹ Includes subscribers of freenet FUNK and freenet FLEX

At EUR 638.9 million, revenues in the first quarter of 2024 remained at the same level as in the same quarter of the previous year (EUR 637.8 million). At EUR 542.9 million, revenues in the Mobile Communications segment were down on the same quarter of the previous year (EUR 557.3 million) due to a continued decline in low-margin hardware sales. At the same time, service revenues in the Mobile Communications segment increased by 2.0% to EUR 424.6 million (prior-year period: EUR 416.5 million) with an identical ARPU of EUR 17.7 compared to the previous year.

Table 2 : Revenue and earnings figures of freenet AG

In EUR million	Q1/2024	Q1/2023 ¹	Change	
			absolut	relative
Revenues	638.9	637.8	1.1	0.2%
Mobile Communications segment	542.9	557.3	-14.4	-2.6%
Service revenue (total)	424.6	416.5	8.1	2.0%
TV and Media segment	93.4	80.8	12.6	15.6%
Gross profit	236.7	228.8	7.9	3.4%
Overheads	-112.5	-100.7	-11.7	11.7%
EBITDA	124.2	128.1	-3.9	-3.0%
Adjusted EBIT	62.6	89.3	-26.7	-29.9%
Financial result	-10.2	-6.0	-4.2	69.3%
Adjusted EBT	52.5	83.3	-30.8	-37.0%
Adjusted consolidated profit	64.9	60.3	4.6	7.6%

¹ Earnings figures (EBIT, EBT, consolidated profit) adjusted for effects from the amortisation of the mobilcom-debitel trademark.

The TV and Media segment recorded a significant increase in revenues of 15.6% to EUR 93.4 million (prior-year period: EUR 80.8 million). This was due in particular to the strong growth in waipu.tv subscribers and the associated increase in revenues at Exaring. freenet TV revenues remained stable as a result of a price increase from the end of 2022, which has now materialised, despite the continuing decline in freenet TV subscribers. In combination with consistently high revenues from the B2B business, Media Broadcast's revenues remained at the previous year's level overall.

The increase in service revenue in both operating segments is also reflected in the development of gross profit. This increased by EUR 7.9 million to EUR 236.7 million compared to the prior-year period 2023 (EUR 228.8 million). As a result, the gross profit margin improved by 1.2 percentage points to 37.0% (prior-year period: 35.9%).

At EUR 112.5 million, overheads as the difference between gross profit and EBITDA were EUR 11.7 million higher than in the first quarter of 2023 (EUR 100.7 million). Personnel expenses increased by EUR 5.9 million to EUR 60.4 million (prior-year period: EUR 54.5 million), mainly due to planned salary increases and higher expenses for the LTIP remuneration programmes for members of the Executive Board. In addition, other operating expenses increased by EUR 5.2 million year-on-year to EUR 68.8 million, mainly due

to the increased investment in brand awareness for waipu.tv (TV and Media segment) since the third quarter of 2023. In addition, expenses for loss allowances on receivables in the Mobile Communications segment increased year-on-year due to lower collection income and also contributed to the increase in other operating expenses.

As a result of the temporary increase in investments in waipu.tv's brand awareness and higher personnel expenses, EBITDA decreased by EUR 3.9 million or 3.0% to EUR 124.2 million compared to the prior-year period (prior-year period: EUR 128.1 million). The EBITDA margin at Group level decreased slightly by 0.6 percentage points to 19.4% (prior-year period: 20.1%). The contributions of the individual segments to Group EBITDA are shown in the following table.

Table 3: Composition of Group EBITDA

In EUR million	Q1/2024	Q1/2023	Change	
			absolut	relative
Mobile Communications segment	101.2	103.8	-2.6	-2.5%
TV and Media segment	27.4	28.8	-1.4	-5.0%
Other / holding segment	-4.4	-4.6	0.2	+3.9%
freenet Group	124.2	128.1	-3.9	-3.0%

EBITDA in the first quarter of 2024 was not affected by expenses in connection with the impending closure of Gravis Computervertriebsgesellschaft mbH (hereinafter: Gravis). In the course of this year, Gravis should be recognised as a discontinued operation in accordance with IFRS 5 and the corresponding effects reported separately.

Depreciation, amortisation and impairments decreased to EUR 61.6 million compared to the first quarter of 2023 (EUR 88.0 million). On the one hand, the amortisation of the "mobilcom-debitel" brand in connection with the realignment of the brand strategy had an additional increasing effect in the prior-year period (EUR 49.2 million). This effect no longer applies since the brand was fully amortised at the end of Q2 2023. On the other hand, impairments of lease assets, property, plant and equipment and intangible assets totalling EUR 24.0 million were recognised in the reporting period in connection with the closure of Gravis. Total depreciation, amortisation and impairments decreased by EUR 26.4 million compared to the previous year.

As in the two previous financial years, the prior year's earnings figures below EBITDA (EBT and net profit) have been adjusted for the effects of the amortisation of the mobilcom-debitel brand in order to improve comparability.

The financial result developed by EUR -4.2 million compared to the first quarter of 2023 (EUR -6.0 million) to EUR -10.2 million, mainly due to the negative share of earnings in connection with contributions to the equity of Antenne Deutschland GmbH & Co. KG, which is consolidated using the equity method (EUR -4.0 million, prior-year period: EUR -0.5 million). In addition, interest expenses increased to EUR 8.0 million (prior-year period: EUR 6.7 million), mainly due to higher interest on promissory note loans with variable interest rates.

Due to the effects explained above, adjusted EBT totalled EUR 52.5 million (prior-year period: EUR 83.3 million). The main reason for this significant decline is the one-off impairment effect of EUR 24.0 million as a result of the scheduled closure of Gravis.

Income taxes totalling EUR 12.4 million were reported in the first quarter of 2024. In contrast, expenses from income taxes totalling EUR 15.9 million were reported in the prior-year period. Current tax expenses of EUR 8.2 million (prior-year period: EUR 7.9 million) and deferred tax income of EUR 20.6 million (prior-year period: deferred tax expenses of EUR 8.0 million) were recognised in the reporting period. The deferred tax income of EUR 20.6 million recognised in the reporting period includes a one-off effect of EUR 21.0 million from the Growth Opportunities Act, which has since come into force. Due to the possibility of greater utilisation of corporate income tax loss carryforwards for the financial years 2024 to 2027 (now 70% of taxable income instead of 60%), higher deferred income tax assets on tax loss carryforwards were recognised for freenet compared to the previous legal situation. The amortisation of the mobilcom-debitel trademark resulted in deferred tax income of EUR 7.1 million in the prior-year period (reporting period: EUR 0).

Total adjusted consolidated profit in the first quarter of 2024 amounted to EUR 64.9 million (prior-year period: EUR 60.3 million).

Net assets and financial position

Total assets as of 31 March 2024 amounted to EUR 3,403.7 million, a decrease of EUR 11.2 million compared to 31 December 2023 (EUR 3,414.9 million).

On the assets side, non-current assets decreased by EUR 40.3 million to EUR 2,606.8 million (year-end 2023: EUR 2,647.1 million). Lease assets decreased by EUR 32.1 million to EUR 261.5 million (year-end 2023: EUR 293.6 million), mainly due to scheduled depreciation and amortisation as well as impairments in connection with the closure of Gravis (EUR 16.9 million). In addition, other financial assets decreased by EUR 14.6 million to EUR 183.0 million (year-end 2023: EUR 197.4 million), mainly due to the market value of the equity investments in CECONOMY AG derived from the lower share price. In contrast, deferred income tax assets increased by EUR 20.7 million to EUR 128.9 million (year-end 2023: EUR 108.2 million), mainly as a result of the adjustment effect on the capitalised tax loss carryforwards resulting from the entry into force of the Growth Opportunities Act, as explained under "Income taxes".

Current assets increased by EUR 29.1 million to EUR 796.9 million as of the reporting date (year-end 2023: EUR 767.8 million). This was mainly due to the increase in liquid assets by EUR 61.0 million to EUR 220.8 million (year-end 2023: EUR 159.8 million), primarily as a result of the free cash flow of EUR 71.3 million generated in the first three months of 2024 less the payments for the acquisition of SuperNova GmbH & Co. KG, Cologne, which was consolidated for the first time on 1 January 2024, in the amount of EUR 6.5 million. The decrease in trade accounts receivable by EUR 43.0 million to EUR 269.7 million (year-end 2023: EUR 312.7 million) was mainly the result of payments received for receivables from network operators from annual bonuses for the 2023 billing period.

Table 4: Condensed balance sheet of freenet AG

In EUR million	31.3.2024	31.12.2023	Change	
			absolut	relative
Non-current assets	2,606.8	2,647.1	-40.3	-1.5%
Current assets	796.9	767.8	29.1	3.8%
Assets	3,403.7	3,414.9	-11.2	-0.3%
Equity	1,485.0	1,436.9	48.2	3.4%
Non-current liabilities	804.2	818.4	-14.3	-1.7%
Current liabilities	1,114.5	1,159.6	-45.1	-3.9%
Equity and liabilities	3,403.7	3,414.9	-11.2	-0.3%
Equity ratio	43.6%	42.1%	1.6PP	3.7%

On the liabilities side, equity increased by EUR 48.2 million to EUR 1,485.0 million due to the consolidated profit of EUR 64.9 million generated in the first quarter of 2024. This was offset by the change in accumulated other comprehensive income by EUR -16.7 million to EUR -178.2 million – mainly due to the decrease in the fair value of the equity investment in CECONOMY AG recognised directly in equity. As a result, the equity ratio increased from 42.1% at the end of 2023 to 43.6% at the end of March 2024 and remains well above the limit of at least 25% defined by freenet.

Trade accounts payable decreased by EUR 33.4 million to EUR 304.4 million (year-end 2023: EUR 337.7 million). This was mainly due to developments in liabilities to dealers and hardware suppliers as at the reporting date. Repayments of lease liabilities decreased by EUR 13.2 million to EUR 334.0 million as at the reporting date (year-end 2023: EUR 347.2 million), mainly due to scheduled repayments. Including lease receivables, net lease liabilities amounted to EUR 295.1 million as at 31 March 2024 (year-end 2023: EUR 309.8 million). Other liabilities and accruals also decreased by EUR 12.3 million to EUR 549.6 million (year-end 2023: EUR 561.9 million), primarily due to a decrease in VAT liabilities.

At 1.0 at the end of March 2024, the leverage factor is below the level at the end of 2023 (1.2) and well below the upper limit defined by freenet of 3.0 times EBITDA for the last twelve months (April 2023 to March 2024).

Table 5: Development of net financial liabilities and leverage

In EUR million	31.3.2024	31.12.2023	Change	
			absolut	relative
Non-current financial liabilities	250.1	250.1	0.0	0.0%
Current financial liabilities	183.9	180.7	3.2	1.8%
Net lease liabilities	295.1	309.8	-14.7	-4.8%
Liquid assets	220.8	159.8	61.0	38.2%
Net financial liabilities	508.3	580.9	-72.5	-12.5%
= Leverage	1.0	1.2	-0.1	-11.8%
Equity investments	67.8	85.3	-17.4	-20.4%
Adjusted net financial liabilities	440.5	495.6	-55.1	-11.1%
Adjusted leverage	0.9	1.0	-0.1	-11.2%

Liquidity situation

Compared to the prior-year period, the cash flow from operating activities increased slightly by EUR 1.2 million to EUR 100.8 million in the first quarter of 2024 (prior-year period: EUR 99.6 million). The effect of the EUR 3.9 million lower EBITDA was almost completely offset by the EUR 3.8 million lower increase in net working capital including contract acquisition costs. The EUR 1.5 million decrease in net interest payments led to an increase in cash flow from operating activities.

Table 6: Liquidity situation of freenet AG

In EUR million	Q1/2024	Q1/2023	Change	
			absolut	relative
Cash flow from operating activities (1)	100.8	99.6	1.2	1.2%
Cash flow from investing activities	-19.8	-14.7	-5.1	34.4%
Net capital expenditure (CapEx) (2)	-9.5	-14.4	4.9	-34.0%
Cash flow from financing activities	-20.0	-99.1	79.1	-79.8%
Cash outflows for the repayment of lease liabilities (3)	-20.0	-20.6	0.6	-2.8%
Net change in cash funds	61.0	-14.2	75.2	n/a
Free cash flow (1)+(2)+(3)	71.3	64.6	6.7	10.3%

The cash flow from investing activities in the reporting period totalled EUR -19.8 million (prior-year period: EUR -14.7 million). The higher outflows from investing activities are mainly due to the acquisition of SuperNova GmbH & Co. KG as at 1 January 2024 (EUR 6.5 million) and the contributions to the equity of Antenne Deutschland GmbH & Co. KG (EUR 3.9 million; prior-year period: EUR 0.5 million). Net cash-effective investments (net CapEx) decreased by EUR 4.9 million compared to the first quarter of 2023 (EUR 14.4 million) to EUR 9.5 million – partly due to the investments made in Media Broadcast's DAB+ broadcasting network in the prior-year period. The investments were financed entirely from own funds.

The cash flow from financing activities developed to EUR -20.0 million compared to the same period in 2023 (EUR -99.1 million). The change is mainly due to the repayment of a promissory note loan totalling EUR 78.5 million in the prior-year period. All other items remained almost unchanged.

A free cash flow of EUR 71.3 million was generated in the first quarter of 2024, which corresponds to an increase of EUR 6.7 million (10.3%) compared to the same period in 2023 (EUR 64.6 million). The increase is mainly due to the lower net CapEx.

Report on opportunities and risks

Against the backdrop of the decision to close Gravis, a potentially high restructuring risk was identified, which mainly results from the costs of social plans. This risk is characterised by an almost certain occurrence and a high expected extent of damage. Negotiations with employee representatives are at an early stage, which is why an assessment of the financial effects for freenet is still subject to uncertainty. Talks are also being held with various interested parties who would take over stores (possibly with employees).

Beyond this, there were no other significant changes in the first quarter of 2024 with regard to the risks relating to future business development. The risks and opportunities to which freenet is exposed as part of its ongoing business activities are presented in the 2023 Annual report (page 38 et seq.) and continue to apply in principle.

Statement on the guidance for business performance

For the current financial year, the Executive Board confirms the guidance made in the 2023 Annual Report, which was based on continuing operations (including Gravis at the time). The risk described as a result of the closure of Gravis (see report on opportunities and risks) will not have any material effects on freenet's guidance, as the results will be recognised separately in the income statement for discontinued and continuing operations (in accordance with IFRS 5) during the course of the year. Only the free cash flow will be affected by the expected cash effects from the closure of Gravis, which should, however, be offset by opposing effects, such as the sale of inventories. Accordingly, free cash flow is still expected to be in the range forecasted at the beginning of the year.

Table 7: Guidance for business performance







Financial performance indicators In EUR million / as indicated	2023 reference value	2024 Guidance (28.2.2024)	Confirmed 2024 Guidance (15.5.2024)	Change in Guidance	Q1/2024
Revenues	2,627.3	Stable performance	Stable performance	→	638.9
EBITDA	500.2	495 – 515	495 – 515	→	124.2
free cash flow	262.6	260 – 280	260 – 280	→	71.3
Postpaid ARPU (in EUR)	18.0	Stable performance	Stable performance	→	17.7

Non-financial performance indicators in '000s	31.12.2023 reference value	2024 Guidance (28.2.2024)	Confirmed 2024 Guidance (15.5.2024)	Change in Guidance	31.3.2024
Postpaid customer base	7,418.3	Moderate growth	Moderate growth	→	7,437.6
freenet TV subscribers (RGU)	583.8	Noticeable decrease	Noticeable decrease	→	561.7
waipu.tv subscribers	1,369.3	Significant growth	Significant growth	→	1,507.9

- ↑ above previous guidance
- unchanged from previous guidance
- ↓ below previous guidance

Büdelsdorf, 15 May 2024

freenet AG
 The Executive Board

					
Christoph Vilanek (CEO)	Ingo Arnold (CFO)	Nicole Engenhardt-Gillé (CHRO)	Stephan Esch (CTO)	Antonius Fromme (CCE)	Rickmann v. Platen (CCO)

Selected financial information *

Consolidated income statement

In EUR million / as indicated	Q1/2024	Q1/2023
Revenues	638.9	637.8
Other operating income	11.3	11.3
Other own work capitalised	5.4	6.1
Cost of materials	-402.3	-409.1
Personnel expenses	-60.4	-54.5
Other operating expenses	-68.8	-63.6
Thereof result from impairment losses on financial assets and contractual assets	-3.3	-2.1
Thereof excluding result from impairment losses on financial assets and contractual assets	-65.6	-61.5
EBITDA¹	124.2	128.1
Depreciation, amortisation and impairment	-61.6	-88.0
EBIT²	62.6	40.1
Result of equity-accounted investments	-3.9	-0.4
Interest and similar income	1.7	1.1
Interest and similar expenses	-8.0	-6.7
Financial result	-10.2	-6.0
EBT	52.5	34.1
Income taxes	12.4	-15.9
Consolidated profit	64.9	18.2
Consolidated profit attributable to shareholders of freenet AG	65.0	18.0
Consolidated profit attributable to non-controlling interests	0.0	0.2
Earnings per share (EPS) basic and diluted (in EUR)	0.55	0.15
Weighted average number of shares outstanding in units, basic and diluted (in millions)	118.9	118.9

¹ EBITDA is defined as EBIT plus depreciation and amortisation.

² EBIT is defined as Earnings before interest and taxes.

* This quarterly statement was prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union (EU). The Group has implemented all accounting standards that were mandatory as at the reporting date. Please refer to the notes to the consolidated financial statements as at 31 December 2023 for information on the principles and methods applied in the consolidated financial statements.

Consolidated balance sheet

Assets		
In EUR million	31.3.2024	31.12.2023
Non-current assets		
Intangible assets	180.6	190.8
Lease assets	261.5	293.6
Goodwill	1,386.2	1,379.8
Property, plant and equipment	120.8	129.4
Equity-accounted investments	0.3	0.3
Deferred income tax assets	128.9	108.2
Trade accounts receivable	44.1	44.8
Other receivables and other assets	90.7	90.7
Other financial assets	109.2	126.7
Contract acquisition costs	284.6	282.9
	2,606.8	2,647.1
Current assets		
Inventories	66.5	63.8
Current income tax assets	0.2	0.2
Trade accounts receivable	269.7	312.7
Other receivables and other assets	166.0	160.5
Other financial assets	73.7	70.7
Liquid assets	220.8	159.8
	796.9	767.8
Total assets	3,403.7	3,414.9
Equity and liabilities		
In EUR million	31.3.2024	31.12.2023
Equity		
Share capital	118.9	118.9
Capital reserve	567.5	567.5
Accumulated other comprehensive income	-178.2	-161.5
Consolidated balance sheet result	980.7	915.8
Equity attributable to shareholders of freenet AG	1,488.9	1,440.6
Equity attributable to non-controlling interests	-3.8	-3.8
	1,485.0	1,436.9
Non-current liabilities		
Lease liabilities	255.1	269.0
Other liabilities and accruals	117.2	118.1
Other financial liabilities	56.9	56.8
Financial liabilities	250.1	250.1
Pension provisions	67.2	68.2
Other provisions	57.7	56.2
	804.2	818.4
Current liabilities		
Lease liabilities	78.9	78.3
Trade accounts payable	304.4	337.7
Other liabilities and accruals	432.4	443.8
Other financial liabilities	31.8	38.3
Current income tax liabilities	55.9	54.2
Financial liabilities	183.9	180.7
Other provisions	27.2	26.6
	1,114.5	1,159.6
Total equity and liabilities	3,403.7	3,414.9

Consolidated statement of cash flows

In EUR million	Q1/2024	Q1/2023
Earnings before interest and taxes (EBIT)	62.6	40.1
Adjustments:		
Depreciation, amortisation and impairments of non-current assets	61.6	88.0
Increase in networking capital not attributable to investing or financing activities	-15.4	-22.0
Cash inflows from the redemption of financial assets from leases	3.7	3.5
Capitalization of contract acquisition costs	-76.6	-71.3
Amortization of contract acquisition costs	74.9	72.4
Taxes paid	-7.5	-7.1
Income from interest and other financial result	1.2	0.7
Interest paid	-3.7	-4.7
Cash flow from operating activities	100.8	99.6
Cash outflows for investments in property and intangible assets	-10.2	-14.9
Cash inflows from the disposal of property and intangible assets	0.7	0.5
Cash outflows for the acquisition of subsidiaries	-6.5	0.0
Cash inflows from the sale of equity-accounted companies	0.1	0.3
Cash outflows into equity of equity-accounted investments	-3.9	-0.5
Cash outflows to acquire other equity investments	0.0	-0.1
Cash flow from investing activities	-19.8	-14.7
Cash outflows from the repayment of financial liabilities	0.0	-78.5
Cash outflows for the repayment of lease liabilities	-20.0	-20.6
Cash flow from financing activities	-20.0	-99.1
Net change in cash funds	61.0	-14.2
Cash funds at the beginning of the period	159.8	178.0
Cash funds at the end of the period	220.8	163.8

Composition of cash funds

In EUR million	31.3.2024	31.3.2023
Liquid assets	220.8	163.8
Cash funds	220.8	163.8

Composition of free cash flow

In EUR million	Q1/2024	Q1/2023
Cash flow from operating activities	100.8	99.6
Cash outflows for investments in property and intangible assets	-10.2	-14.9
Cash inflows from the disposal of property and intangible assets	0.7	0.5
Cash outflows for the repayment of lease liabilities	-20.0	-20.6
Free cash flow	71.3	64.6

Segment report

1 January to 31 March 2024

In EUR million	Mobile Communications	TV and Media	Other / holding	Elimination of intersegment revenues and expenses	Total
Third-party revenues	538.8	90.4	9.7	0.0	638.9
Intersegment revenue	4.1	3.0	4.3	-11.4	0.0
Total revenues	542.9	93.4	14.0	-11.4	638.9
Cost of materials to third parties	-361.3	-34.9	-6.1	0.0	-402.3
Intersegment cost of materials	-7.9	-1.6	-0.2	9.7	0.0
Total cost of materials	-369.2	-36.5	-6.2	9.7	-402.3
Segment gross profit	173.7	56.9	7.8	-1.7	236.7
Other operating income	11.5	0.3	0.9	-1.3	11.3
Other own work capitalised	3.8	1.2	0.4	0.0	5.4
Personnel expenses	-34.7	-16.0	-9.7	0.0	-60.4
Other operating expenses	-53.1	-15.0	-3.8	3.1	-68.8
Thereof loss allowances on financial assets and contract assets	-4.4	1.2	0.0	0.0	-3.3
Thereof without loss allowances on financial assets and contract assets	-48.7	-16.2	-3.8	3.1	-65.6
Total overheads¹	-72.5	-29.5	-12.1	1.7	-112.5
Thereof intersegment allocation	-1.6	-0.6	0.5	1.7	
Segment EBITDA	101.2	27.4	-4.4	0.0	124.2
Depreciation, amortisation and impairment					-61.6
EBIT					62.6
Financial result					-10.2
Income taxes					12.4
Consolidated profit					64.9
Consolidated profit attributable to shareholders of freenet AG					65.0
Consolidated profit attributable to non-controlling interests					0.0
Net cash investments	5.4	3.6	0.4		9.5

¹ Overheads are defined as the difference between gross profit and EBITDA and include the items operating income, other own work capitalised, personnel expenses and other operating expenses.

Segment report

1 January to 31 March 2023

In EUR million	Mobile Communications	TV and Media	Other /holding	Elimination of intersegment revenues and expenses	Total
Third-party revenues	554.3	77.9	5.7	0.0	637.8
Intersegment revenue	3.0	2.9	4.2	-10.2	0.0
Total revenues	557.3	80.8	9.9	-10.2	637.8
Cost of materials to third parties	-379.5	-25.7	-3.9	0.0	-409.1
Intersegment cost of materials	-5.5	-2.5	-0.1	8.2	0.0
Total cost of materials	-385.0	-28.3	-4.0	8.2	-409.1
Segment gross profit	172.3	52.6	5.9	-2.0	228.8
Other operating income	11.1	0.2	1.1	-1.1	11.3
Other own work capitalised	3.9	1.7	0.5	0.0	6.1
Personnel expenses	-32.5	-13.7	-8.2	0.0	-54.5
Other operating expenses	-51.1	-11.9	-3.8	3.1	-63.6
Thereof loss allowances on financial assets and contract assets	-2.2	-0.1	0.2	0.0	-2.1
Thereof without loss allowances on financial assets and contract assets	-48.8	-11.8	-4.0	3.1	-61.5
Total overheads¹	-68.5	-23.8	-10.5	2.0	-100.7
Thereof intersegment allocation	-2.1	-0.3	0.5	2.0	
Segment EBITDA	103.8	28.8	-4.6	0.0	128.1
Depreciation, amortisation and impairment					-88.0
EBIT					40.1
Financial result					-6.0
Income taxes					-15.9
Consolidated profit					18.2
Consolidated profit attributable to shareholders of freenet AG					18.0
Consolidated profit attributable to non-controlling interests					0.2
Net cash investments	6.1	6.7	1.6		14.4

¹ Overheads are defined as the difference between gross profit and EBITDA and include the items operating income, other own work capitalised, personnel expenses and other operating expenses.

Further information

Quarterly overview

Consolidated income statement

In EUR million	Q1/2023	Q2/2023	Q3/2023	Q4/2023	Q1/2024
Revenues	637.8	632.1	668.8	688.6	638.9
Other operating income	11.3	12.9	14.7	7.3	11.3
Other own work capitalised	6.1	5.7	5.6	7.0	5.4
Cost of materials	-409.1	-400.9	-437.3	-429.0	-402.3
Personnel expenses	-54.5	-56.7	-57.4	-70.5	-60.4
Other operating expenses	-63.6	-66.7	-72.8	-79.3	-68.8
Thereof loss allowances on financial assets and contract assets	-2.1	-5.6	-5.3	0.3	-3.3
Thereof without loss allowances on financial assets and contract assets	-61.5	-61.1	-67.5	-79.6	-65.6
EBITDA¹	128.1	126.5	121.5	124.2	124.2
Depreciation, amortisation and impairment	-88.0	-87.1	-38.3	-40.8	-61.6
EBIT²	40.1	39.4	83.3	83.4	62.6
Result of equity-accounted investments	-0.4	-1.2	-0.3	-0.7	-3.9
Interest and similar income	1.1	1.1	2.2	2.0	1.7
Interest and similar expenses	-6.7	-7.5	-7.7	-8.8	-8.0
Other financial result	0.0	0.2	0.0	0.4	0.0
Financial result	-6.0	-7.4	-5.9	-7.1	-10.2
EBT	34.1	32.0	77.4	76.3	52.5
Income taxes	-15.9	-6.0	-14.2	-27.4	12.4
Consolidated profit	18.2	26.0	63.2	48.9	64.9
Consolidated profit attributable to shareholders of freenet AG	18.0	24.9	62.9	48.8	65.0
Consolidated profit attributable to non-controlling interests	0.2	1.2	0.3	0.0	0.0
Basic earnings per share (EPS), basic and diluted (in EUR)	0.15	0.21	0.53	0.41	0.55

¹ EBITDA is defined EBIT plus depreciation and amortisation.

² EBIT is defined as Earnings before interest and taxes.

Free cash flow

In EUR million	Q1/2023	Q2/2023	Q3/2023	Q4/2023	Q1/2024
Cash flow from operating activities	99.6	99.4	100.0	99.0	100.8
Cash outflows for investments in property and intangible assets	-14.9	-11.8	-12.9	-15.9	-10.2
Cash inflows from the disposal of property and intangible assets	0.5	1.1	0.8	0.4	0.7
Cash outflows for the repayment of lease liabilities	-20.6	-21.8	-20.3	-20.1	-20.0
Free cash flow	64.6	66.8	67.7	63.4	71.3

Financial calendar

Date	Event
28 February 2024	Publication of the preliminary results for the 2023 Financial year*
26 March 2024	Publication of the 2023 Annual report
8 May 2024	2024 Annual General Meeting in Hamburg
15 May 2024	Publication of the 2024 Quarterly statement*
7 August 2024	Publication of the 2024 Half-year report*
7 November 2024	Publication of the 2024 Nine-month statement*

* Publication after close of trading (Xetra)

All dates are subject to possible changes. The current status of the financial calendar (including conference call dates) is available at fn.de/calendar.

Further information on freenet and the share is available at fn.de/investors

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The quarterly statement is also available in English. In case of doubt, the German version shall prevail.



For information on the 2023 financial year including statements from our Executive Board members, go to fn.de/23fy

