

freenet AG | 2028 Ambition

Analyst and Investor Presentation

Christoph Vilanek, CEO
Ingo Arnold, CFO



Review 2025 Ambition

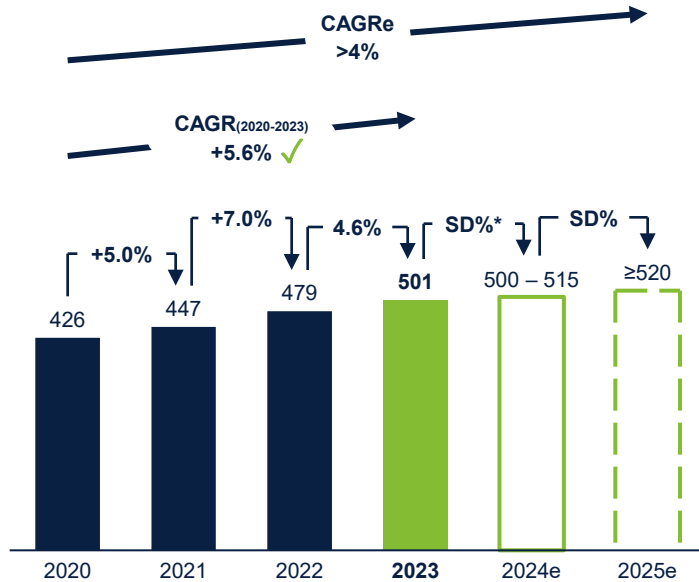
Christoph Vilanek, CEO



We are on track to reach our ambition for 2025

EBITDA ambition “freenet 2025”

in EURm



* SD% = single-digit percentage

EBITDA growth drivers

Mobile communications

Ambition 2025: +EUR30m to +EUR60m | YE 2023: >+EUR60m

- Strong sales performance and focus on captive channels
- Successful implementation of CLTV management
- Steady cost control and focus on talent

TV/Media

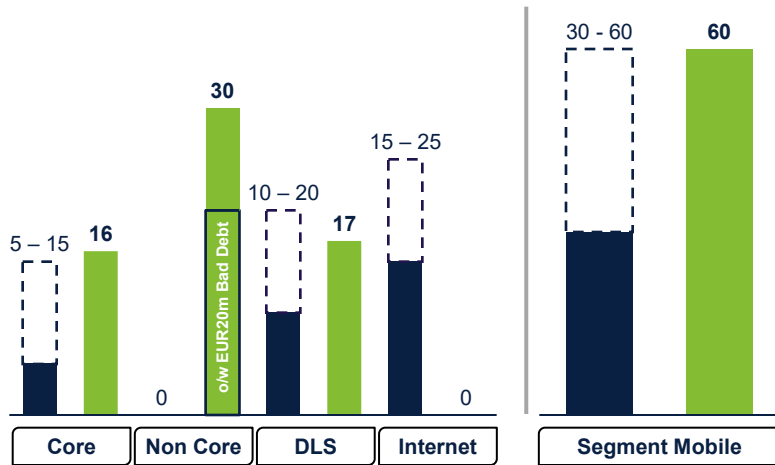
Ambition 2025: +EUR35m to +EUR65m | YE 2023: +EUR30m

- waipu.tv growth with higher marketing investments
- 2025 ambition to be reached based on YE 2024 customer base

Mobile segment EBITDA on upper end already

Mobile segment EBITDA

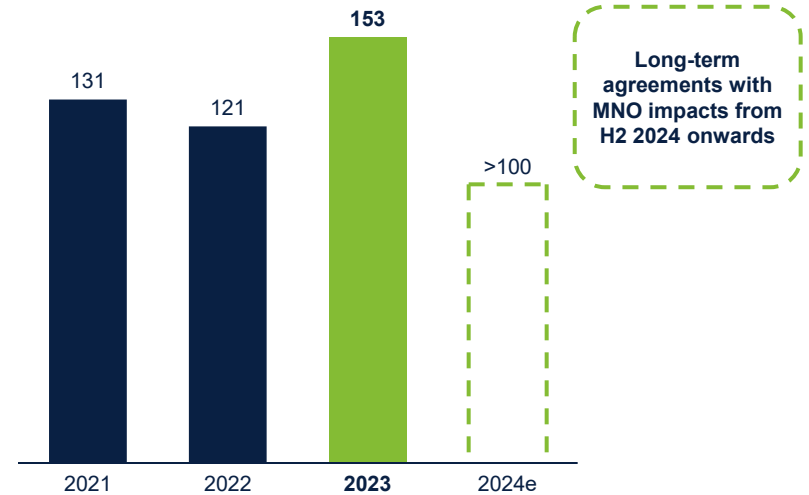
in EURm



■ Basic 2025 Ambition □ Upper end of 2025 Ambition ■ 2023 Actual

Mobile postpaid net adds

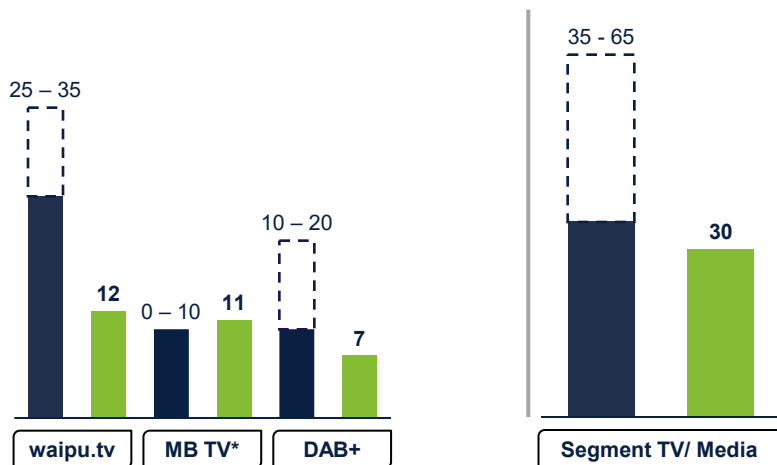
in k



TV/Media segment with constant acceleration

TV/Media segment EBITDA

in EURm

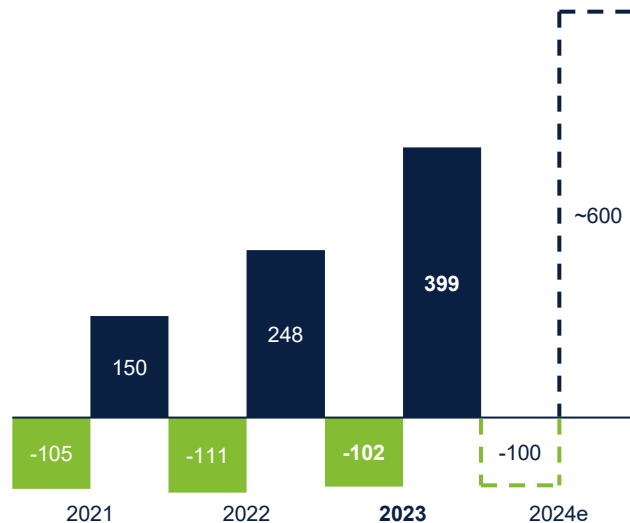


■ Basic 2025 Ambition □ Upper end of 2025 Ambition ■ 2023 Actual

* B2C/ B2B

Total TV net adds

in k

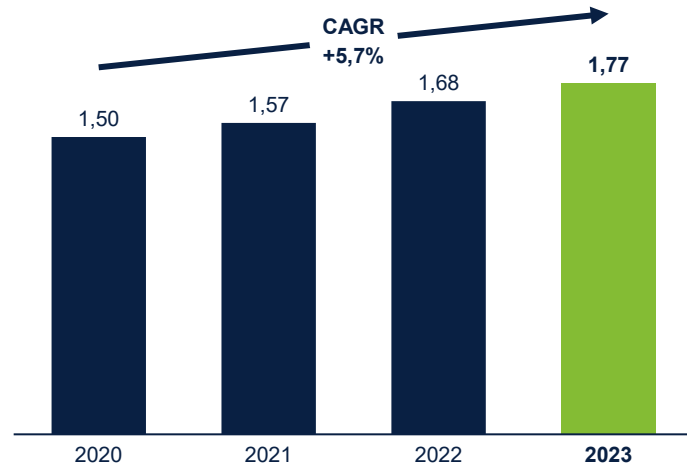


■ freenet TV ■ waipu.tv

Strong shareholder remuneration

Ordinary DPS

in EURm

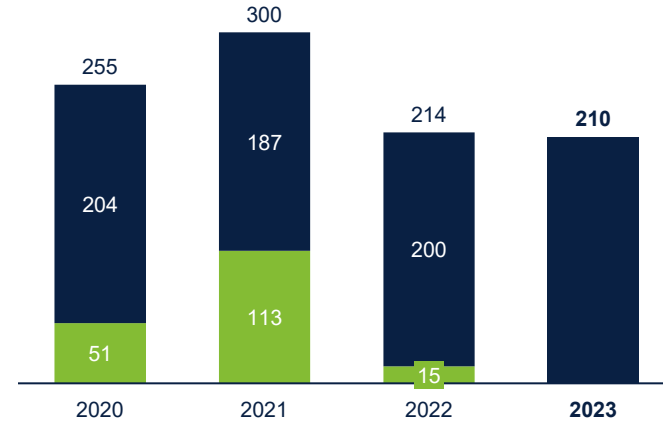


80% of FCF distributed

Shareholder remuneration (incl. SBB)

in EURm

■ Dividend ■ SBB



>EUR200m per year

Our 2025 ambition becomes our achievement

Complementary segments

Portfolio properly aligned



Steadiness



Growth

Delivering on our ambition

EBITDA

✓ CAGR >4%

✓ ≥EUR520m in sight

Free cash flow

✓ >EUR260m

Beneficial for our shareholders

Strong financials

✓ 80% payout ratio

✓ High dividend yield

✓ Healthy balance sheet

2028 Operational Ambition

Christoph Vilanek, CEO



Our strategic focus remains unchanged

Resilient mobile business

Based on

- ...persistent market share
- ...high customer satisfaction
- ...stable profitability



Expand IPTV business

Driven by

- ...sustainably growing market
- ...strong competitive position
- ...gross profit growth and cost control = growing EBITDA

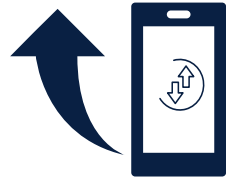


Stable mobile market environment expected

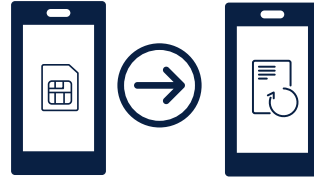
4 network operators



Increasing data usage



Prepaid-to-postpaid transition cont.

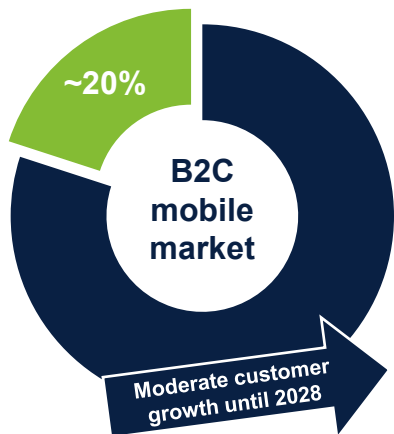


Stable ARPU expected



Advancement of our mobile business segment

Persistent market share



High customer satisfaction

Omnichannel approach

We meet our customers where they are, online and offline

Best choice

We provide our customers with the network and tariff they need

Digital lifestyle

Providing more than just tariffs

Stable profitability

MNO contracts

Secured long-term partnerships with MNOs on planable terms

Stable ARPU

No relevant ARPU dilution based on a rational market environment

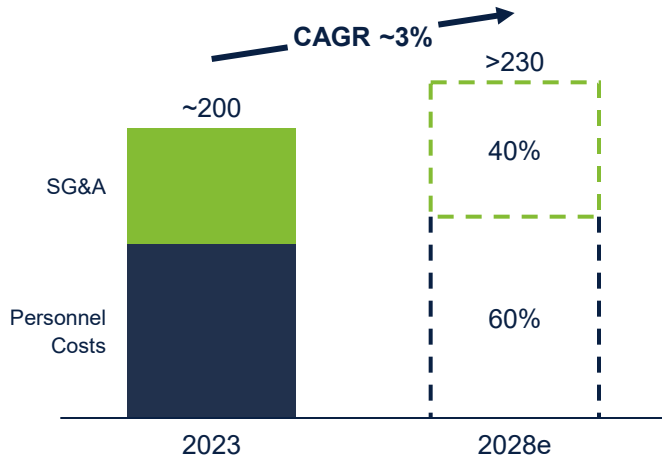
Operational excellence

Lean structure without vanity

2028 Gross profit ambition: +EUR40m

Managing cost headwinds in mobile segment

Overall increase due to inflation



Compensated by mitigating measures

Digitisation & AI

Further adaption of the latest organisation and working methods (AI driven)

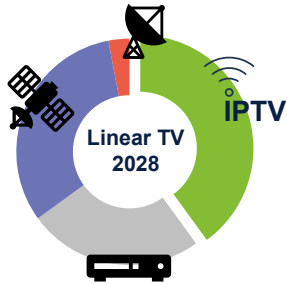
Standardisation & simplification

Further streamlining of practices for all transactional processes

2028 Expected cost headwinds: -EUR20m

Growing IPTV market relevance expected

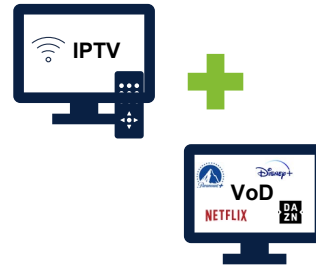
IPTV shift continues



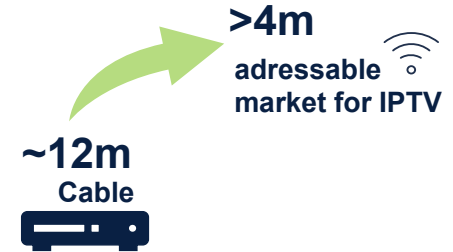
Linear TV remains relevant



IPTV and VoD are complementary



“Nebenkostenprivileg” drives IPTV adoption



Reasons behind the success of waipu.tv

Compelling content

Streaming partnerships



>280 channels o/w 95% HD



Unique user experience

Fast and flawless linear TV



- Seamless zapping experience
- Sporting events broadcast without delay

Pleased waipu.tv customers



- Almost zero rate of complaints
- increasing NPS stands now >40
- Strong recommendation rate
- Sound customer structure: no bad debt

Strong waipu.tv brand

Rising brand recognition



2 of 3 cable customers recognise waipu.tv as a TV brand

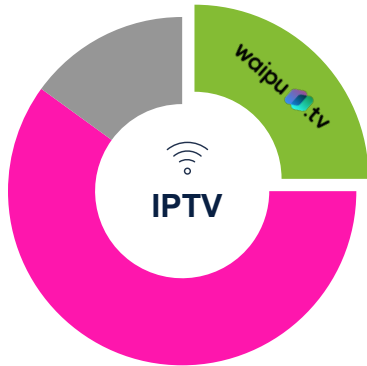
Rising brand awareness



Since our marketing push, twice as many people know about waipu.tv

Key drivers to expand the waipu.tv business

Persistent market share in a constantly growing market



Strong competitive position

USP

- Best value for money
- VoD - connecting linear TV with Netflix & Co.
- Niche channels – content for everyone (easy API-based integration)
- Simplicity in usage as well as presence on all relevant platforms

Gross profit growth & cost control

Subscriber growth

More subscribers equal more revenues and scale

Efficient marketing

ATL and BTL managed based on conversion and lifetime value with focus on captive channels

Cost control

Business model benefits from low fixed cost

2028 EBITDA ambition: \geq +EUR100m

Subscriber growth drives gross profit and EBITDA

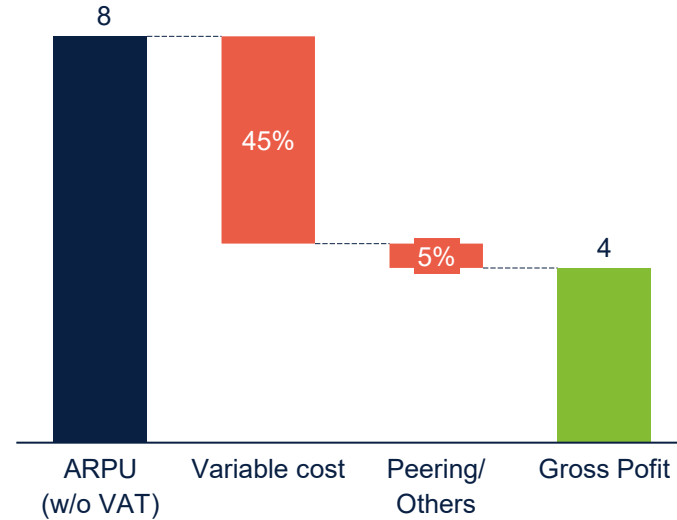
Subscriber growth w/o market push

in m



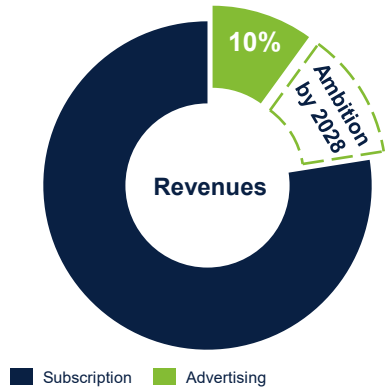
Current gross profit per subscriber

in EUR per month



Upside potential not yet reflected in ambition

Targeted advertising



Upselling products



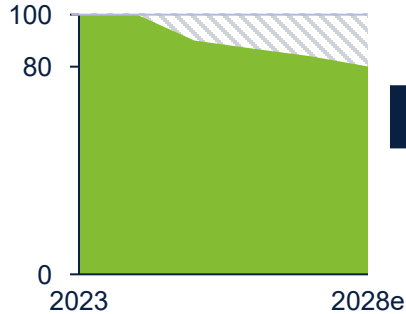
CPS optimisation



Media Broadcast faces headwinds

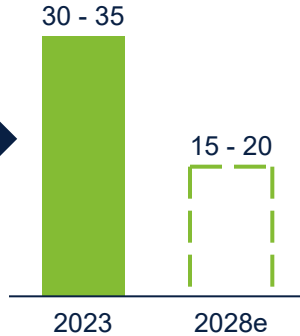
Decreasing EBITDA contribution

in EURm



Lower FCF conversion

in EURm



Headwinds by 2028

- Pressure on carriage fee TV/Radio (B2B)
- Further reduction in customer base of freenet TV (B2C)
- Ceassation of event business (B2B)



**Media
Broadcast**

▧ EBITDA gap
▢ EBITDA outlook

2028 Media Broadcast EBITDA: -EUR20m

Media Broadcast situation in 2028

	TV B2B	TV B2C	DAB+	5G Broadcast/ Field services
Current EBITDA contribution	~55%	~20%	~25%	0%
Situation 2028 (in absolute terms)	▼	▼	▬	▲

2028 Financial Ambition

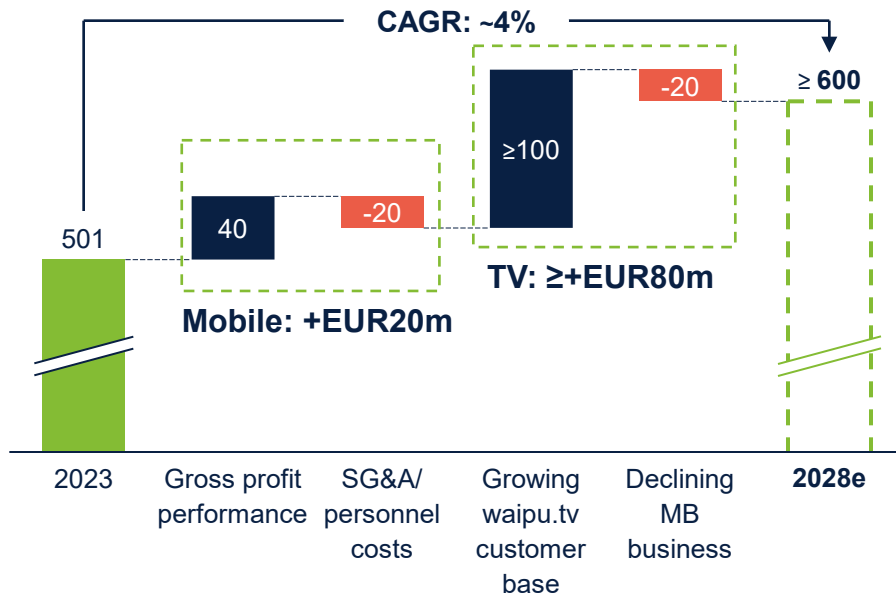
ingo Arnold, CFO

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freenet 2028 Financial ambition

EBITDA-to-EBITDA bridge

in EURm



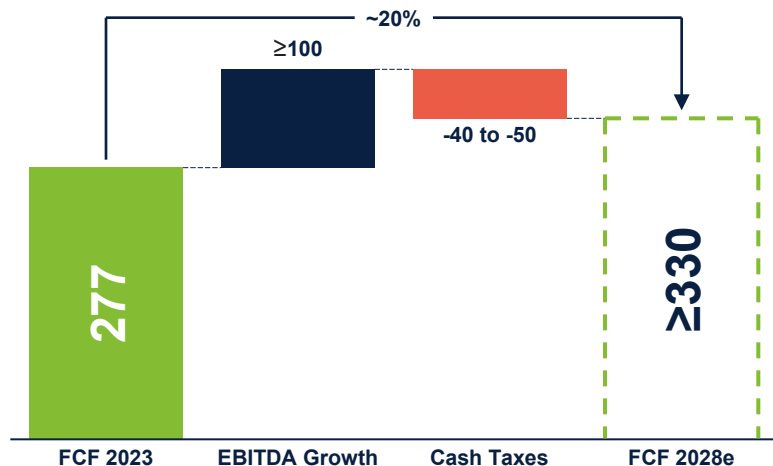
General remarks on 2028 ambition

- Based on freenet's business performance up to September 2024
- No M&A or inorganic growth assumed
- No product portfolio extensions or additional new revenue streams assumed
- Ongoing shift from prepaid-to-postpaid assumed
- Rational mobile market assumed
- IPTV market outlook corresponds with assumptions made by other market participants
- No disruption in the cable and satellite market assumed

2028 Free cash flow grows in line

FCF-to-FCF bridge

in EURm



Operational tailwinds offset tax headwind by far

- FCF growth driven by EBITDA growth
- Stepwise increase of cash tax payments dampens FCF growth (reversal of tax loss carryforwards)
- CNWC and Capex expected to be stable
- Substantial FCF secures rising DPS

EBITDA to FCF conversion remains high (>50%)

Capital allocation scenarios at freenet

80% Dividend payout ratio is set



■ Dividend ■ Remainder



Use cases of remainder

1st Growth

- Focus on IPTV business
- M&A: Customer acquisition

2nd SBB

- Decision will be made annually upon the release of the FY prelims

3rd Debt relief

- No need due to:
- High equity ratio (>40%)
 - Low leverage (1.2x)

Business growth combined with strong shareholder return

What freenet will stand for by 2028

Mobile communications

Steadiness

- Moderate postpaid growth
- Steady profitability



TV/Media

Profitable IPTV growth

- >3m waipu.tv customers
- ≥ 100 m EBITDA



Solid equity investment

Strong financials

- Low leverage
- High equity ratio
- Growing FCF
- 80% dividend payout based on FCF





freenet

fertig, los!

Further Questions?

Contact

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