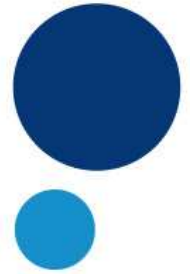


# telegate Group

Financial Results 6M 2014

Munich,  
August 6, 2014

# Agenda

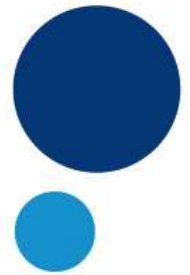


- **Digital business trends**

- Financials 6M 2014

- Outlook

# Digital business improvements in HY1 2014...



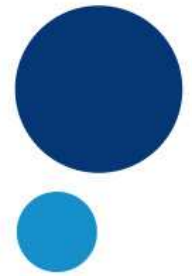
ARPA new customers	Up by 6 % yoy
Customer retention	Churn down by 7 % (=2.pp) yoy
Website penetration	Steadily above 50% (HY1 2013: 61%)
24 months contracts penetration	Up to 75% (HY1 2013: 68%)
Revenue/sales head	Up by 1% yoy



Positive EBITDA\*  
now consolidated  
with +0.4 m€

\* Before non-recurring items

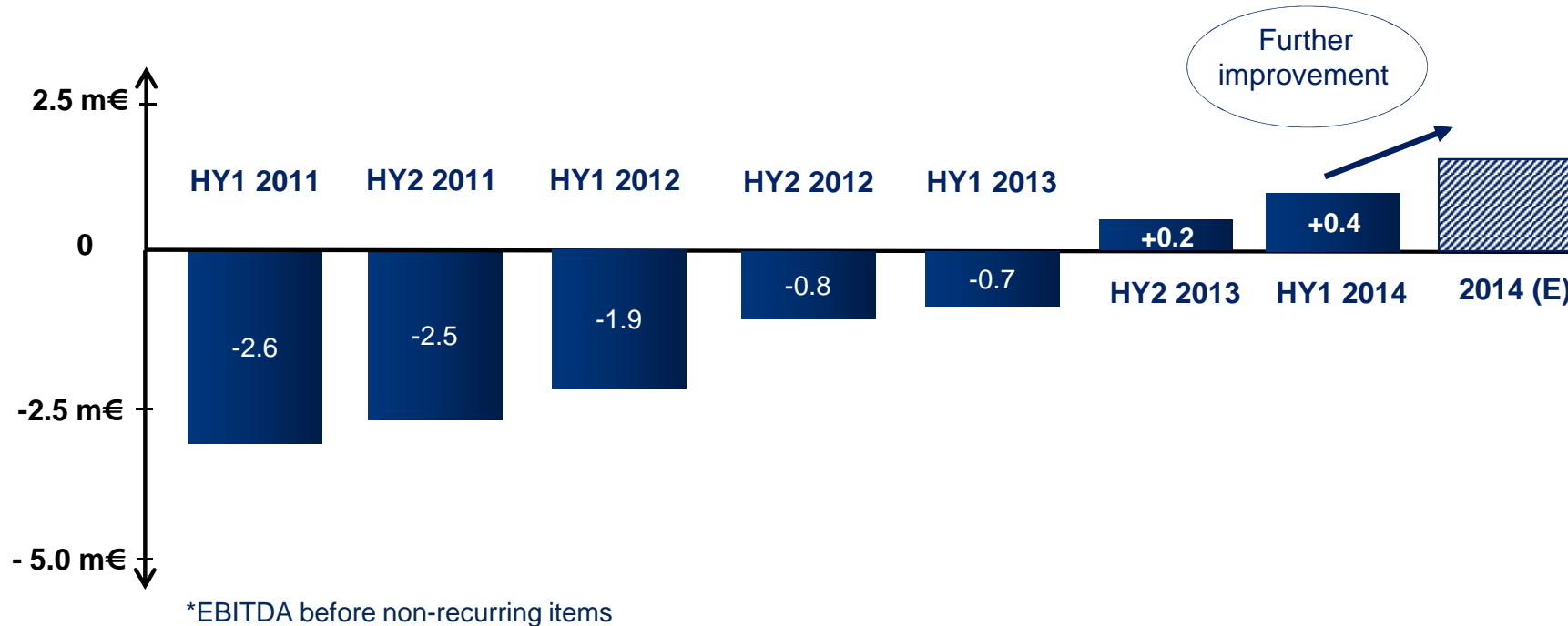
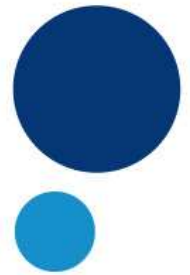
# ...and during past 2 years clearly visible!



	2011	2013	HY1 2014
<b>EBITDA*</b>	-5.2 m€	-0.6 m€	0.4 m€
<b>Customer Acquisition</b>			
- Website Penetration	12%	61%	54%
- 24-Months-Penetration	4 %	67%	75%
- ARPA	1,023€	1,523 €	1,571€
<b>Customer Retention</b>			
- Website Penetration	5%	29%	33 %
- 24-Months-Penetration	3%	41%	43 %
- Churn	43%	32%	29.6%

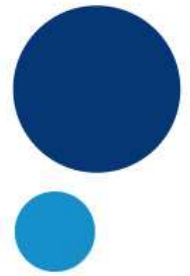
\* before non-recurring items and incl. Software business that has been transferred as of Q4 2013 from segment DA to segment Digital business (prior years are restated accordingly)

# Digital business is now steadily profitable\*: Constant & long-term track record of profit improvement

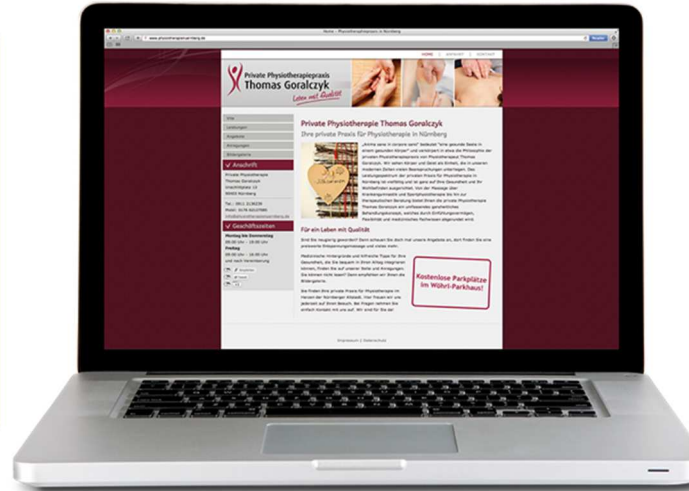


- Improved **product portfolio**
- More efficient **customer acquisition**
- Much better **customer retention**
- Very disciplined **cost management**

# State-of the art value proposition (1/2)



## # Websites/ Videos



- Website penetration steadily above 50 % (HY1 2013: 61%)

Currently we produce + deliver ~400 websites/month

## # Listings

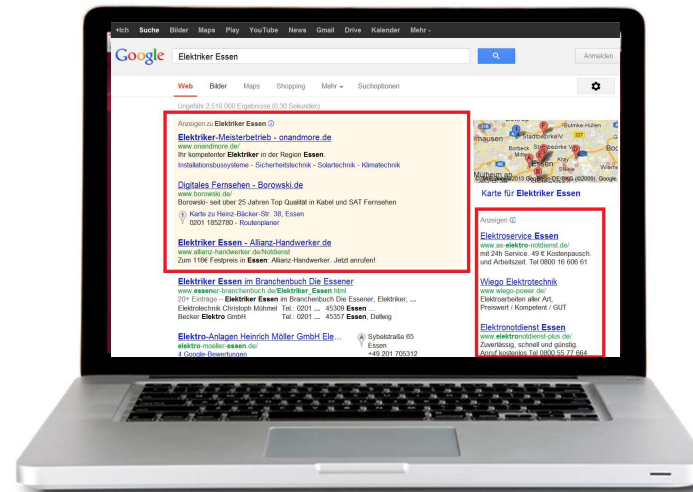


- ~90% of our customers benefit from a listing on our own platforms

# State-of the art value proposition (2/2)

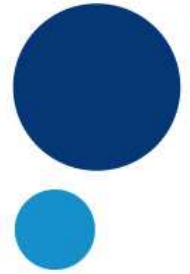


# of Google Campaigns



- telegate remains the best Google reseller in the DACH region (Germany, Austria, Switzerland)
- Currently we manage ~ 6.100 Google customers (down from 6.700 in 2013, however at much higher ARPA)

# Agenda

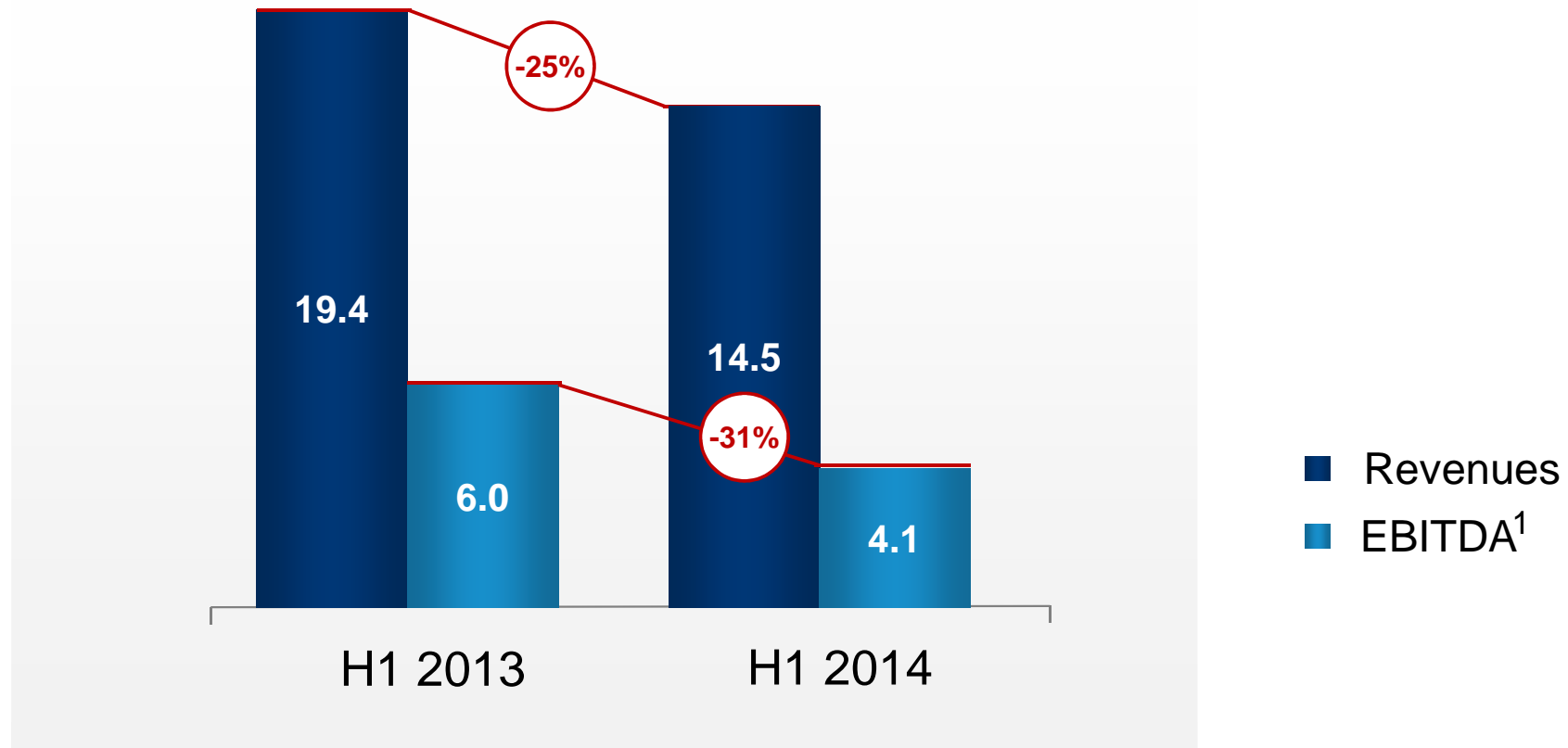
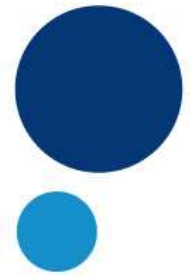


- Digital business trends

- **Financials 6M 2014**

- Outlook

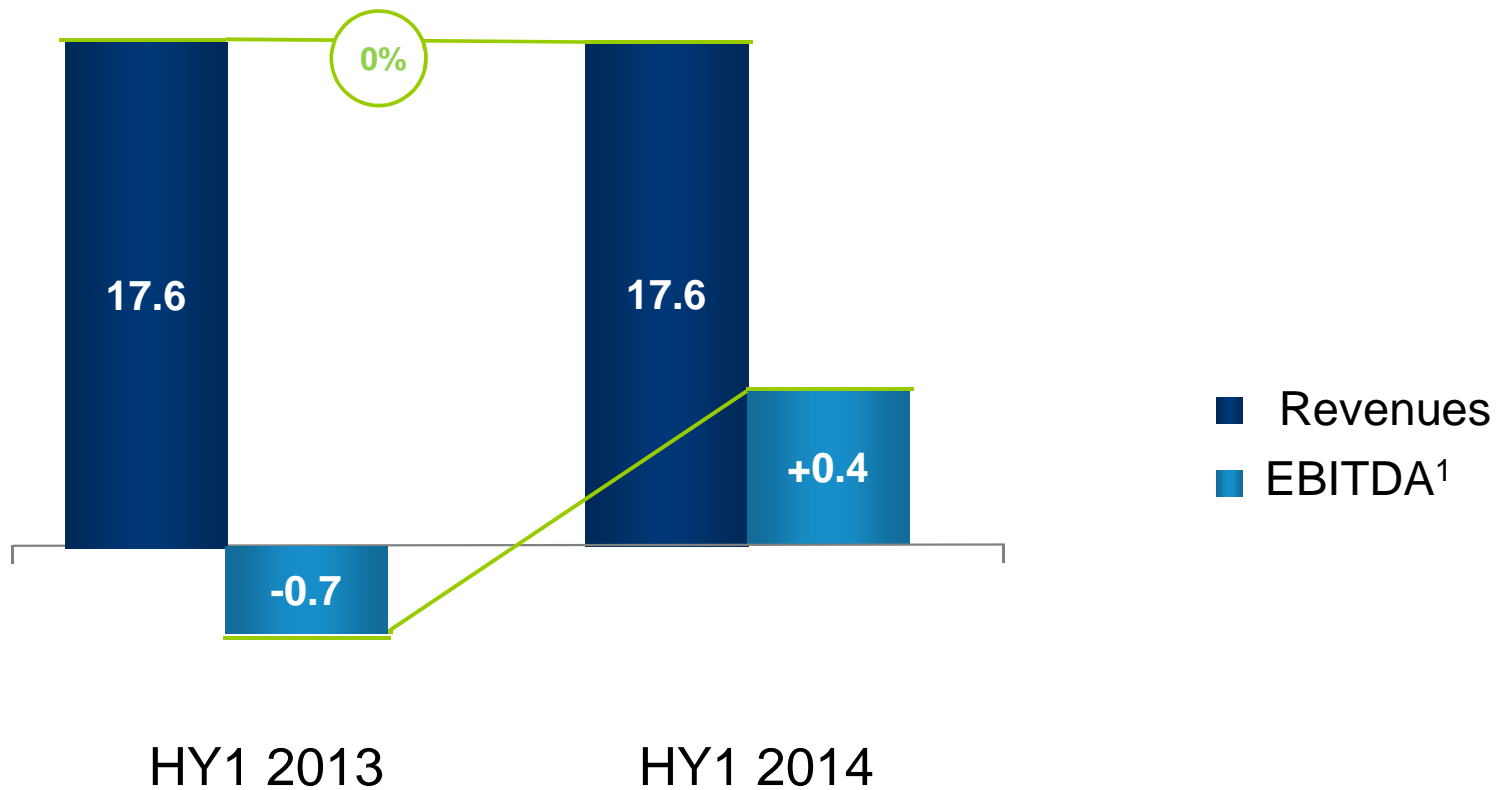
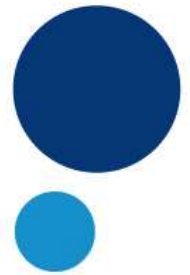
# KPIs Directory Assistance HY1'13 vs. HY1'14 (m€)



**DA business remains fully under control**

<sup>1</sup> before non-recurring items

# KPIs Digital Business HY1-'13 vs. HY1'14 (m€)



**Digital business displays steady improvement in profitability**

<sup>1</sup> before non-recurring items

# Revenue & EBITDA\* in line with guidance



TG Group	HY1 2014	HY1 2013	%	D
<b>Revenues</b>	<b>32,1</b>	<b>37,0</b>	-13%	-4,9
Cost of revenues	15,7	16,6	-6%	-0,9
<b>Gross profit</b>	<b>16,4</b>	<b>20,4</b>	-19%	-4,0
Gross profit %	51,1%	55,2%		
Selling and distribution costs	12,5	14,7	-15%	-2,2
General administrative expenses	4,5	5,9	-24%	-1,4
Other operating income/expense	0,0	-0,2		0,2
<b>EBITDA w/o OTEs</b>	<b>4,5</b>	<b>5,2</b>	-14%	-0,7

- **Focus on cost-optimization** with visible results:
  - fix cost base/gen. admin -24%
  - selling & distribution -15%

\*all figures are excluding non-recurring items

# Temporarily very high non-recurring items in driven by aggressive fixed-cost reduction...



## Non-recurring items – cost items

	YTD 2014	YTD 2013	D
<b>Group total</b>	<b>5,2</b>	<b>2,1</b>	3,1
Cost of revenues	1,7	0,9	0,8
Selling and distribution costs	0,9	0,5	0,4
General administrative expenses	2,8	0,8	1,9
Other operating income/expenses	-0,1	-0,1	0,0

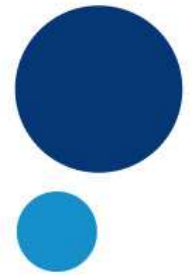
## Non-recurring items – topics

	m€	YTD 2014	YTD 2013	D
<b>Non-recurring items Group total</b>		<b>5,2</b>	<b>2,1</b>	3,1
thereof data costs		0,1	0,4	###
thereof structural costs		5,1	1,7	3,3
thereof structural costs Media		2,0	1,1	0,9
thereof structural costs DA		3,2	1,0	2,2



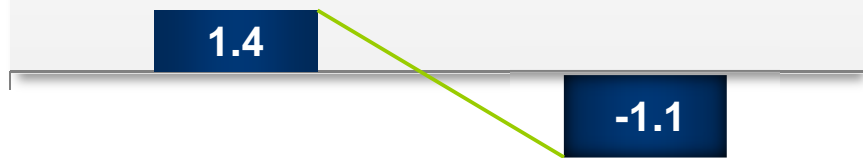
structural cost  
reduction of  
**> 5 m€ p.a.**

# ...accordingly Net Cash Flow suffer from expenses of cost reduction program



## Operating Cash Flow\* (m€)

HY1 2013      HY1 2014



- **Decrease in operating cash flow\*** driven expenses of non-recurring items

## Net Cash Flow\* ,\*\* (m€)

HY1 2013      HY1 2014



- **Investments (Capex) 2014** will be on much lower level vs. 2013, compensating higher non-recurring items
- => **Net Cash-flow compared with previous year level** only slightly lower

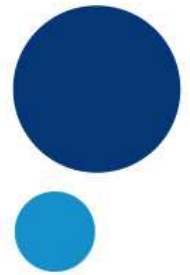
**Net financial position of 26.5 m€ available to strengthen our digital business**

\* adjusted by effects related to data cost claims and tax payments following tax audit & data cost claims

\*\* Net Cash Flow: Operating CF + investing CF (w/o available for sale financial assets) +/- interest income/expenses

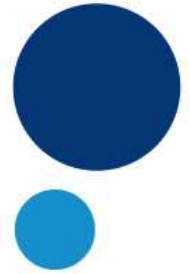
# Damage claim against Deutsche Telekom AG

## Next milestone: oral hearing 2nd instance court



- telegate AG **claims for 86 Mio.€** plus interest
- **Reasoning:** Damage due to violation of cartel law by DT
- **German Federal Court has stated violation of cartel law by DT** for data-records already in another claim by telegate
- **1<sup>st</sup> instance court** LG Köln has, however, **rejected telegate's claim** with decision from 28.05.2013
- Appeal of telegate to 2<sup>nd</sup> instance court OLG Düsseldorf  
→ **oral hearing scheduled for Dec 10, 2014**

# Agenda

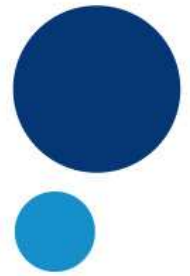


- Digital business trends

- Financials 6M 2014

- **Outlook**

# Group guidance 2014: Further improved profitability digital business



Profitability

EBITDA\* of 7-9 m€

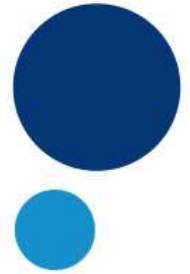
We expect a negative net cash flow  
due to non-recurring items

Cash Flow

Further improvement of profitability in digital business

\*before non-recurring items

# Contacts and financial calendar



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[CFO](#) | Franz Peter Weber  
[Investor Relations](#) | Thomas Kley

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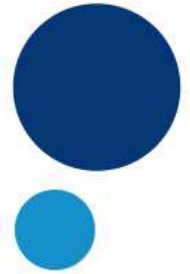
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## Financial Calendar

[August 6, 2014](#) | 6-months results 2014

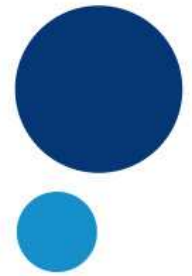
[November 6, 2014](#) | 9-months results 2014

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# Backup

# Consolidated P&L



k€	Q2 2014	Q2 2013	%	6M 2014	6M 2013	%
<i>Continuing operations</i>						
<b>Revenues</b>	<b>15.645</b>	<b>18.213</b>	<b>-14%</b>	<b>32.069</b>	<b>36.959</b>	<b>-13%</b>
Revenues DA solutions	7.484	9.836	-24%	14.483	19.365	-25%
Revenues Media	8.940	8.910	0%	17.586	17.594	0%
Cost of revenues	-8.835	-8.940	-1%	-17.380	-17.523	-1%
<b>Gross profit</b>	<b>6.810</b>	<b>9.273</b>		<b>14.689</b>	<b>19.436</b>	<b>-24%</b>
Gross profit in %	43,5%	50,9%		45,8%	52,6%	
Selling and distribution costs	-6.553	-7.676	-15%	-13.403	-15.222	-12%
General administrative expenses	-3.405	-3.733	-9%	-7.285	-6.775	8%
Other operating income	10	234		159	384	
Other operating expense	-10	-16		-10	-23	
<b>EBITDA incl. non-recurring effects</b>	<b>-190</b>	<b>2.492</b>		<b>-675</b>	<b>3.118</b>	
non-recurring effects	2.743	385		5.184	2.109	
<b>EBITDA w/o non-recurring effects</b>	<b>2.553</b>	<b>2.877</b>	<b>-11%</b>	<b>4.509</b>	<b>5.227</b>	<b>-14%</b>
Financial income	7	-36		292	16	
<b>Income before tax</b>	<b>-3.141</b>	<b>-1.954</b>		<b>-5.558</b>	<b>-2.184</b>	
Income tax	999	487		1.726	549	
<b>Income from continuing operations</b>	<b>-2.142</b>	<b>-1.467</b>		<b>-3.832</b>	<b>-1.635</b>	
<i>Discontinued operations</i>						
<b>Income from discontinued operations</b>	<b>520</b>	<b>-628</b>		<b>476</b>	<b>-330</b>	
<b>Net Income</b>	<b>-1.622</b>	<b>-2.095</b>		<b>-3.356</b>	<b>-1.965</b>	
<b>Earnings per share (in Euro)</b>	<b>-0,08</b>	<b>-0,11</b>		<b>-0,18</b>	<b>-0,10</b>	

# Consolidated balance sheet



in kEUR	June 30, 2014	June 30, 2013	Dec 31, 2013
<b>Assets</b>			
<i>Cash and cash equivalents</i>	3.924	29.411	9.950
<i>Trade accounts receivable</i>	12.898	13.891	13.158
<i>Current tax assets</i>	505	256	499
<i>Available for sale financial assets</i>	22.583	52.976	30.128
<i>Other financial assets</i>	30.646	1.156	24.570
<i>Other current assets</i>	1.989	4.663	2.035
<b>Total current assets</b>	<b>72.545</b>	<b>102.353</b>	<b>80.340</b>
<i>Tangible and intangible assets</i>	22.814	23.355	24.895
<i>Other non-current assets</i>	18	82	15
<b>Total non-current assets</b>	<b>22.832</b>	<b>23.437</b>	<b>24.910</b>
<b>Total Assets</b>	<b>95.377</b>	<b>125.790</b>	<b>105.250</b>
<b>Liabilities &amp; Shareholders' equity</b>			
Current liabilities	42.802	22.705	40.273
Non-current liabilities	2.697	3.978	4.049
Shareholders' equity	49.878	99.107	60.928
<b>Total liabilities &amp; shareholders' equity</b>	<b>95.377</b>	<b>125.790</b>	<b>105.250</b>

# Consolidated cash flow statement



xEUR	6M 2014	6M 2013
Income from continuing operations	-5.558	-2.184
Income from discontinued operations	476	-315
<b>Income before income tax</b>	<b>-5.082</b>	<b>-2.499</b>
Depreciation & amortisation	5.175	5.321
Changes in operating assets & liabilities	-1.522	-2.447
Interest income / expense	-259	-13
Income taxes paid	-1.098	-7.783
Other items	-346	1.266
<b>Cash provided by (used in) operating activities</b>	<b>-3.132</b>	<b>-6.155</b>
Purchase of assets	-3.001	-5.342
disposal of subsidiaries	-164	569
Purchase of other current financial assets	-5.914	0
Disposal of available for sale financial assets	7.507	-52.981
Interest received	278	78
<b>Cash used in investing activities</b>	<b>-1.294</b>	<b>-57.677</b>
Dividend paid	-1.730	0
Interest paid	-22	-7
<b>Cash provided by financing activities</b>	<b>-1.752</b>	<b>-7</b>
<b>Change in cash and cash equivalents</b>	<b>-6.178</b>	<b>-63.839</b>
Cash and cash equivalents at the beginning of reporting period	9.950	93.250
<b>Cash and cash equivalents at the end of reporting period</b>	<b>3.772</b>	<b>29.411</b>

# Thank you for your attention!

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