

telegate Group

Financial Results HY1 2013

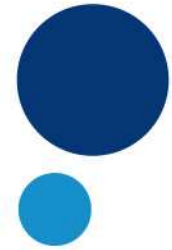
Munich,
August 1, 2013

telegate 

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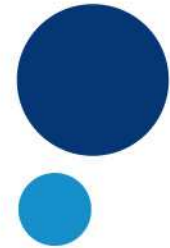
Agenda



- **Business update**

- Financials HY1 2013

Key performance indicators HY1 2013



Media profitability	EBITDA* improvement of 34% yoy	✓
Customer retention	Churn down by 26% yoy	✓
Website penetration	Up to 56% (HY1 2012: 19%)	✓
24 months contracts penetration	Up to 65% (HY1 2012: 39%)	✓
Mobile traffic / product innovation	Up by 33% yoy Coop w/AroundMe now live	✓

* Before non-recurring items

... with a constant trend year on year

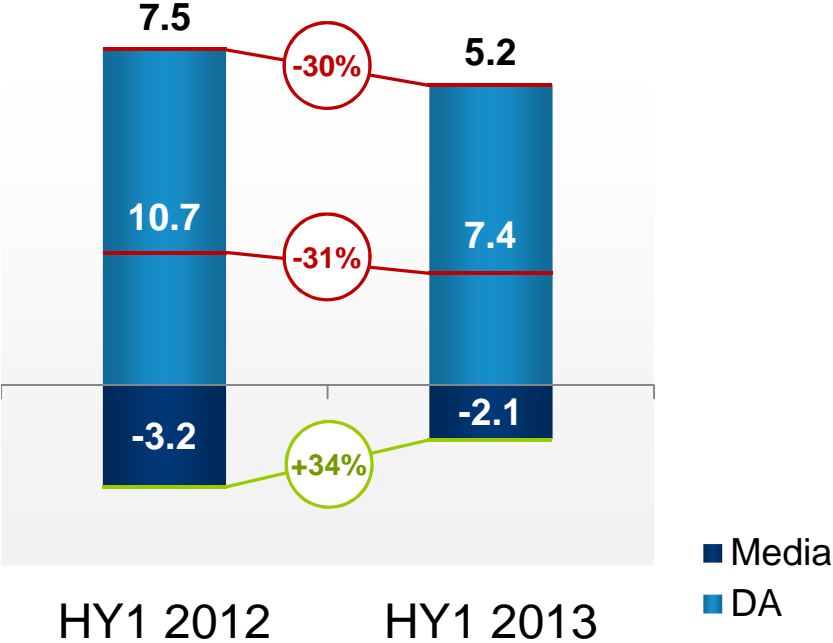
Profitability Media on track towards break even



Group Revenues (m€)



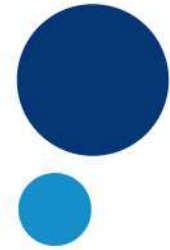
Group EBITDA* (m€)



* Before non-recurring items

Customer retention improved by 26%

Cost-base further reduced in HY1



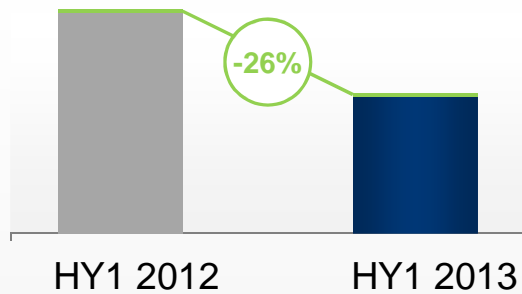
Operational excellence

Go-To-Market

Usage/brand strategy

Improve customer retention

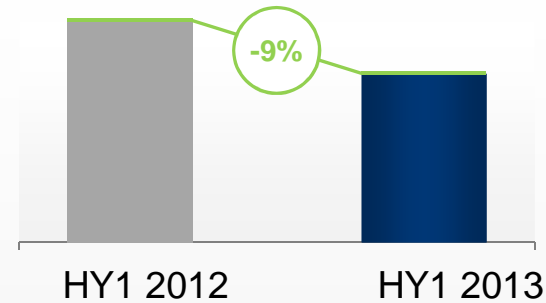
Churn rate development



- **Past efforts** are visibly paying off
- **Further improvement** expected thanks to:
 - a) Recent improvements made to the offer (especially lead validation)
 - b) Product-Mix (increased website-penetration)
 - c) Growing share of 24 month-contracts
 - d) Processes becoming more customer-centric (Customer Care, production)

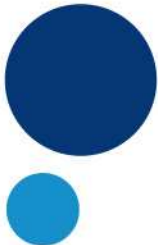
Reduce cost-base

Fix cost-base



- Strong **focus on cost management remains unchanged**:
 - a) Sizeable reduction of Headcount and other cost in General & Admin
 - b) Improved Sales efficiency / effectiveness

Free website offer and 24-Month contracts now in full roll-out, supporting customer retention

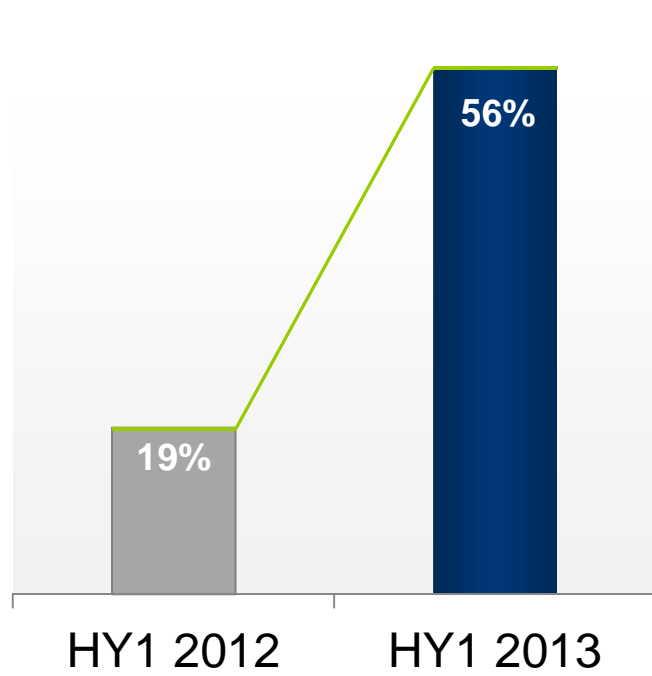


Operational excellence

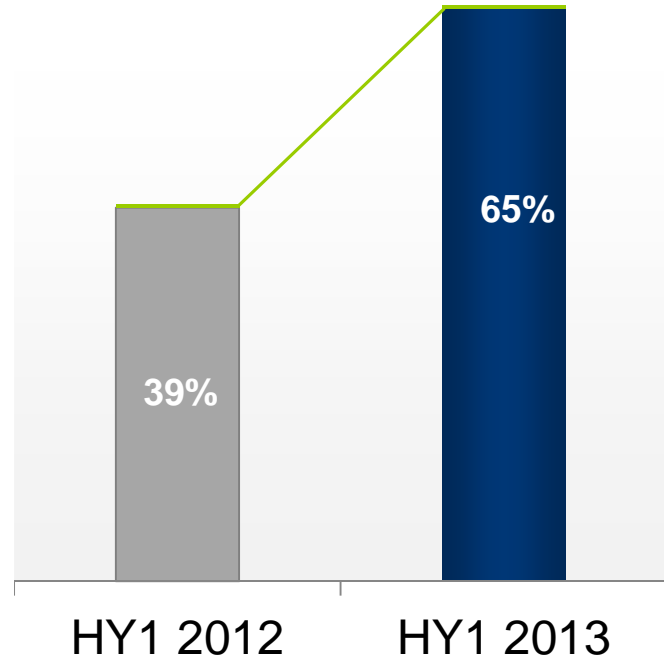
Go-To-Market

Usage/brand strategy

Sold website per new customers



24-Month contract per new customers

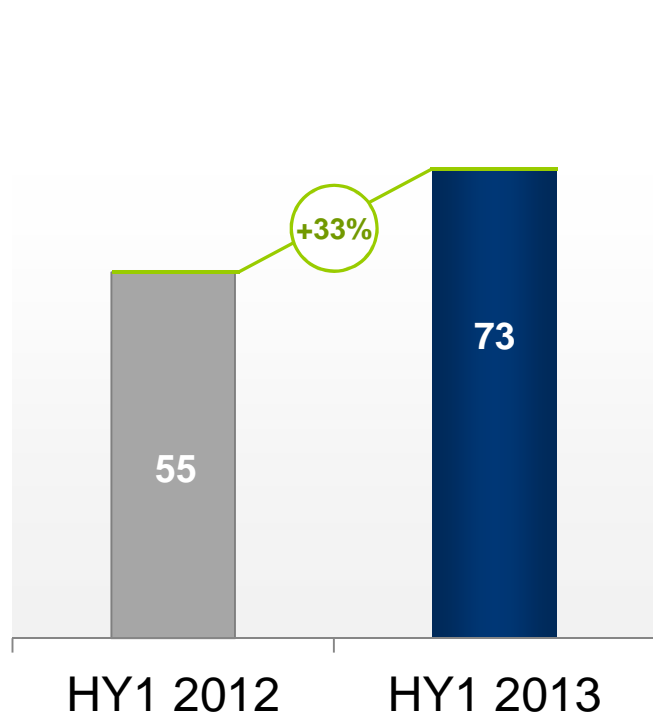


Strong increase of website product and 24 Month contract in new sales YoY

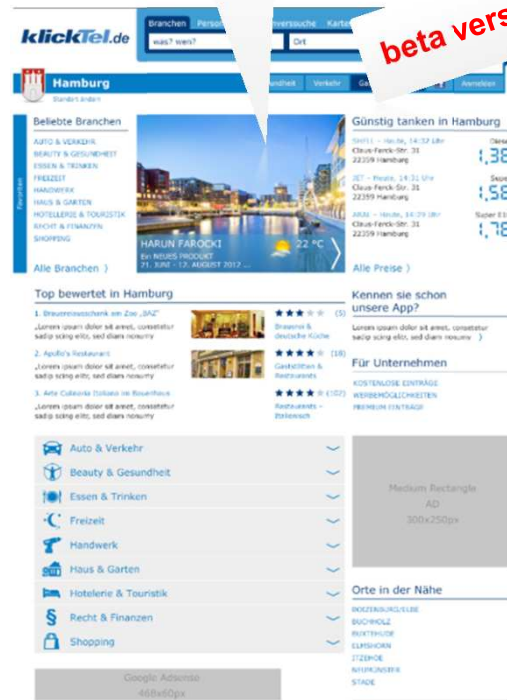
Mobile traffic growth remains solid

Operational excellence
Go-To-Market
Usage/brand strategy

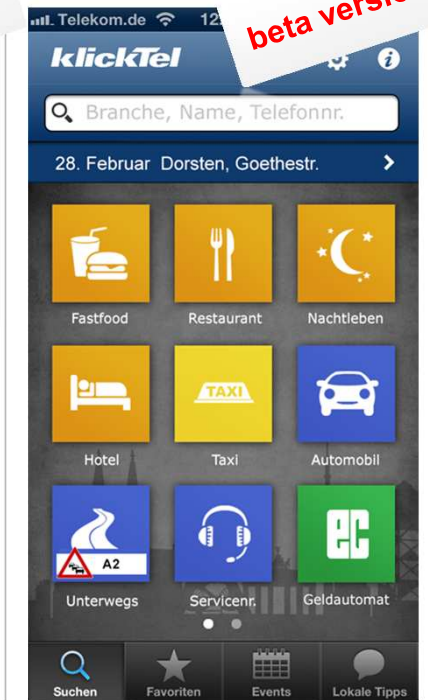
Mobile traffic (m searches)



Local & live



beta version



beta version

...and further product development towards "local & live" will be launched in Autumn

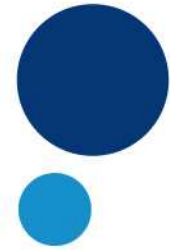
Usage of our channels is constantly growing* ...



*Traffic figures are related to HY1 2013

SMEs benefit from approx. 400m searches per year!

... with SMEs getting a perfect digital presence



All products with **mobile versions!**



Website

nearly 7.000 Websites



MEDIA Entry

more than 27.000 MEDIA Entries



Local Offers

more than 1.000 Offers



Video Clips

more than 10.000 company videos



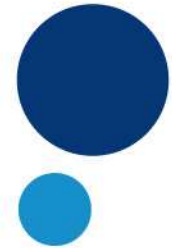
Google

more than 8.000 Google Ad-Words customers



... and a customized full service: We do it for you!

Lead guaranteed offer coming in August



Operational excellence

Go-To-Market

Usage/brand strategy

Online presence



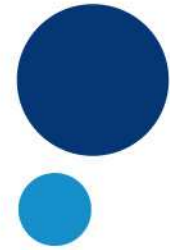
Guaranteed number of leads
(e.g. 1200 clicks per year)



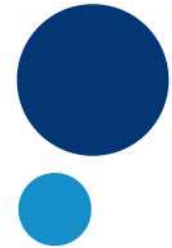
You pay only what you get!
If we don't keep our promise, you'll get your money back!

Unique offer in Germany with best price/service ratio for SMEs!

A very successful journey



Agenda



- Business update

- **Financials HY1 2013**

Revenue & EBITDA in line with expectations

(incl. non-recurring items)

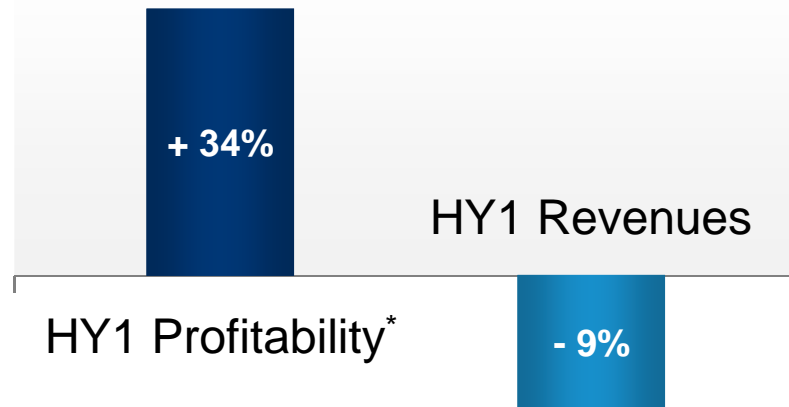
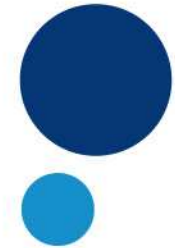


m€	H1 2013	H1 2012	%
<i>Continuing operations</i>			
Revenues	37.0	45.1	-18%
Revenues DA solutions	21.2	27.7	-24%
Revenues Media	15.8	17.4	-9%
Cost of revenues	-17.5	-19.3	-9%
Gross profit	19.4	25.8	-25%
Gross profit in %	52.6%	57.1%	
Selling and distribution costs	-15.2	-19.3	-21%
General administrative expenses	-6.8	-7.0	-3%
Other operating income	0.4	0	
Other operating expense	0	0	
EBITDA w/o non-recurring effects	5.2	7.5	-30%
non-recurring effects	2.1	2.2	
EBITDA incl. non-recurring effects	3.1	5.3	

- **Focus on cost-optimisation** with visible results
- Efforts related to the offer as well as to customer-retention expected to become **more visible in the top-line** development of the Media-business over the coming quarters

Strong improvement of Media profitability

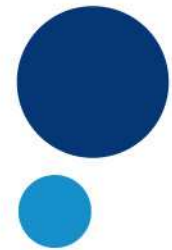
Topline still influenced by higher focus on sales efficiency



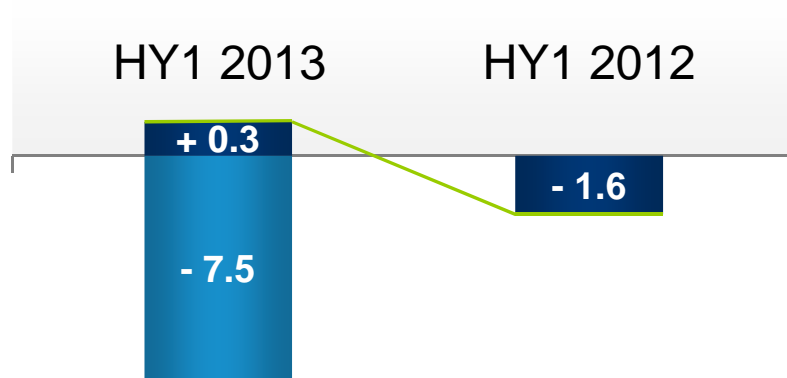
- **Reduced Sales Force capacity** by -24% yoy (benefit: efficiency significantly improved)
- HY1 results influenced by **higher level of credits**. HY2 performance expected to be much better
- **Deferral of revenues** results in “delayed” realization of actual performance (performance non-deferred: -3%)
- **Sizeable improvement in churn and ratio of 24 month-contracts** will support future revenues

*EBITDA before non-recurring items

On track for positive net cash flow in 2013

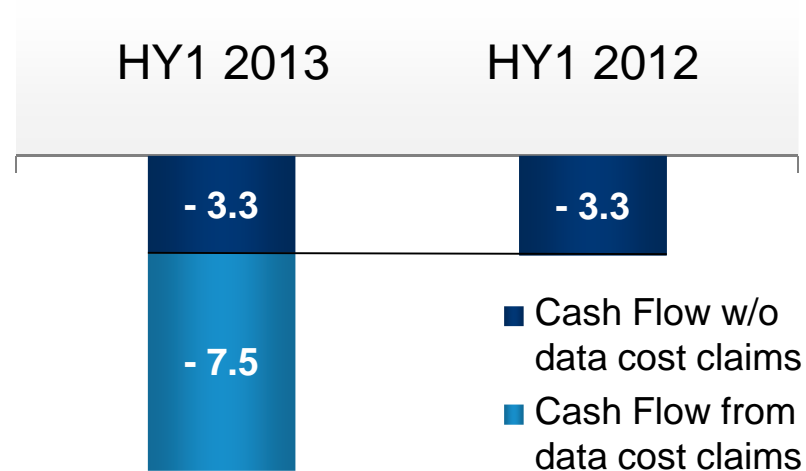


Operating Cash Flow (m€)



- **Improved operating cash flow (w/o data cost items)** mainly thanks to working capital. HY1 usually lower than HY2 in terms of cash-generation

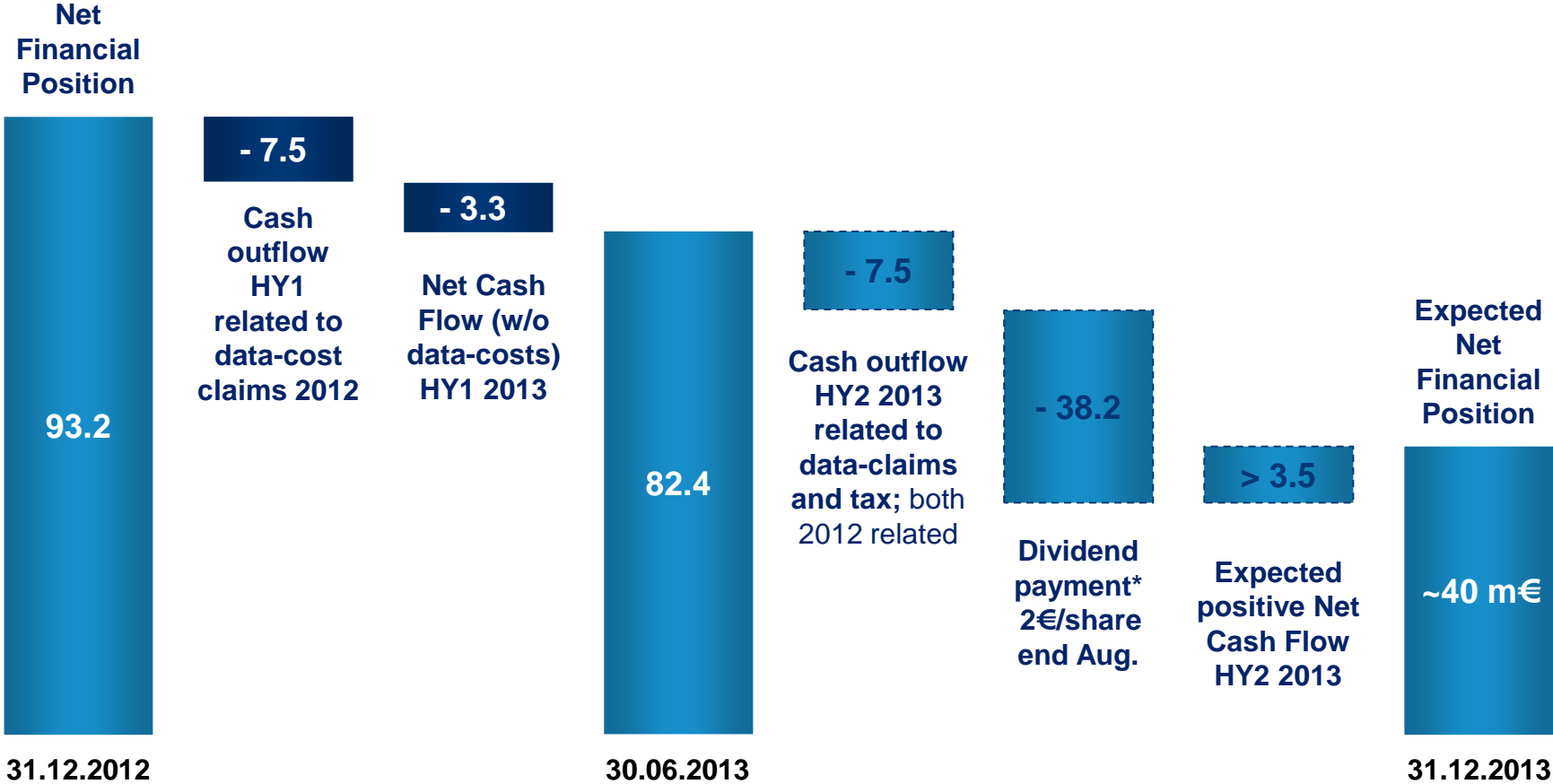
Net Cash Flow* (m€)



- Net Cash-flow (w/o data cost items) at previous year level **driven by temporarily high investments for replacing the voice-technology**
- Net Cash-flow of +0.2m€ in **Q2 2013**

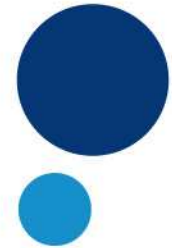
* Net Cash Flow: Operating CF + investing CF +/- interest income/expenses

NFP HY1 2013 affected by cash-out related to successful data-cost claims from 2012 (m€)



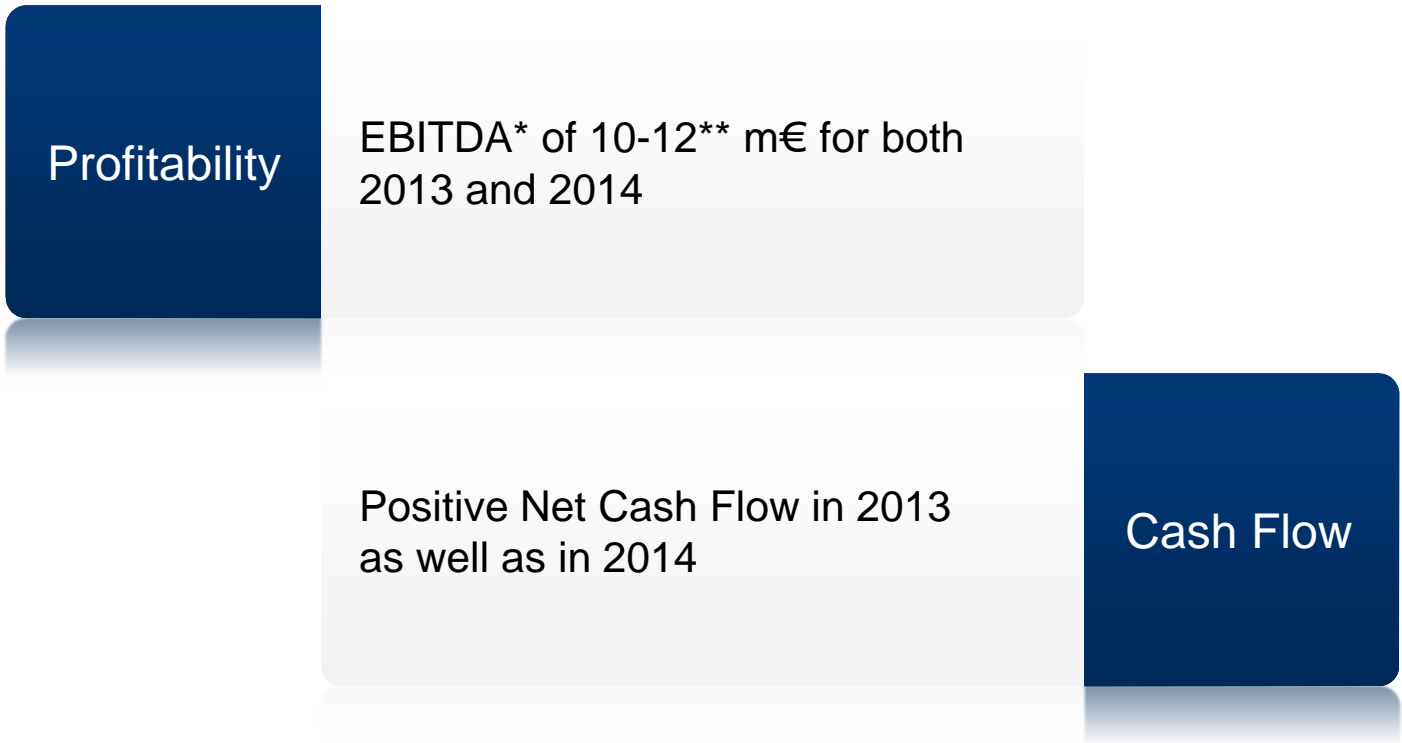
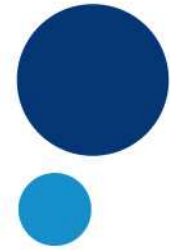
* Subject to approval by the AGM

Significant cash distribution to shareholders end of August, 2013



- Proposal of Management and Supervisory Board to the AGM to **distribute a dividend of 2,00 €/share** (1,75 €/share extraordinary, 0,25 €/share ordinary dividend)
- Subject to approval by the AGM, **payout would occur Aug. 27th, 2013** ➔ total amount of 38.2 m€ (nearly half of our current NFP). Some uncertainty left as to the ongoing restructuring process of Seat under insolvency law.
- On a portion of this dividend-payment no capital-tax will be deducted. For shareholders who are resident in Germany, this **part of the dividend therefore usually is tax-free**

Group guidance 2013 – 2014: Stabilized EBITDA and ensured positive cash flow

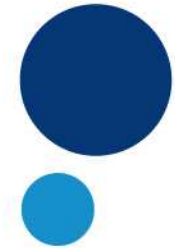


Media EBITDA break-even (at full cost) expected by 2013 year end

*before non-recurring items

**adjusted for the expected profit contribution of 1 m€ from the Spanish subsidiaries that have been divested in June 2013

Contacts and financial calendar



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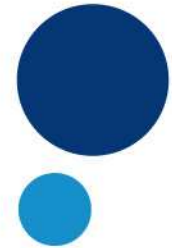
Homepage | www.telegate.com

Financial Calendar

August 27, 2013 | AGM

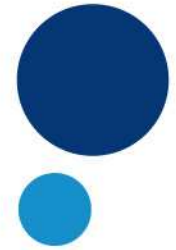
November 7, 2013 | 9-months results 2013

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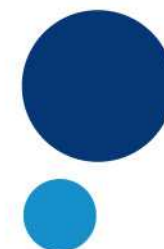


Backup

Consolidated profit and loss statement

m €	Q2 2013	Q2 2012	%	H1 2013	H1 2012	%
<i>Continuing operations</i>						
Revenues	18,213	21,644	-16%	36,959	45,065	-18%
Revenues DA solutions	10,309	13,113	-21%	21,157	27,697	-24%
Revenues Media	7,904	8,531	-7%	15,802	17,368	-9%
Cost of revenues	-8,940	-9,796	-9%	-17,523	-19,311	-9%
Gross profit	9,273	11,848		19,436	25,754	-25%
Gross profit in %	50.9%	54.7%		52.6%	57.1%	
Selling and distribution costs	-7,676	-8,855	-13%	-15,222	-19,309	-21%
General administrative expenses	-3,733	-3,586	4%	-6,775	-7,004	-3%
Other operating income	234	0		384	2	
Other operating expense	-16	-1		-23	-12	
EBITDA incl. non-recurring effects	626	2,268	-72%	3,118	5,281	-41%
non-recurring effects	1,724	1,398		2,109	2,219	
EBITDA w/o non-recurring effects	2,350	3,666	-36%	5,227	7,499	-30%
Financial income	-36	75		16	198	
Income before tax	-1,954	-519		-2,184	-371	
Income tax	487	148		549	131	
Income from continuing operations	-1,467	-371		-1,635	-240	
<i>Discontinued operations</i>						
Income from discontinued operations	-628	-588		-330	-546	
Net Income	-2,095	-959		-1,965	-786	
Earnings per share (in Euro)	-0.11	-0.05		-0.10	-0.04	

P&L excluding non-recurring items



m€	Q2 2013	Q2 2012	%	H1 2013	H1 2012	%
<i>Continuing operations</i>						
Revenues	18.2	21.6	-16%	37.0	45.1	-18%
Cost of revenues	-8.2	-8.8	-7%	-16.6	-18.3	-9%
Gross profit	10.0	12.8		20.4	26.8	-24%
Gross profit in %	55.0%	59.2%		55.1%	59.5%	
Selling and distribution costs	-7.4	-8.7	-14%	-14.7	-18.9	-22%
General administrative expenses	-3.0	-3.3	-10%	-5.9	-6.2	-4%
Other operating income/expense	0.2	0		0.2	0	
EBITDA w/o non-recurring effects	2.4	3.7	-36%	5.2	7.5	-30%
non-recurring effects	1.7	1.4		2.1	2.2	

Non-recurring items



non-recurring items – cost items

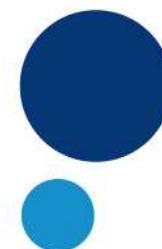
m€	Q2 2013	Q2 2012	Δ	H1 2013	H1 2012	Δ
Cost of revenues	0.7	1.0	-0.2	0.9	1.0	-0.1
Selling and distribution costs	0.2	0.2	0.1	0.5	0.4	0.1
General administrative expenses	0.7	0.3	0.5	0.8	0.8	0
Other operating income/expense	0	0	0	-0.1	0	-0.1
total	1.7	1.4	0.3	2.1	2.2	-0.1

non-recurring items – topics

m€	Q2 2013	Q2 2012	Δ	H1 2013	H1 2012	Δ
Data-cost claims	0.6	0	0.6	0.4	0	0.4
Structural costs*	1.2	1.4	-0.2	1.7	2.2	-0.5
total	1.7	1.4	0.3	2.1	2.2	-0.1

*non-recurring cost to reduce personnel as well as for a legal dispute

Consolidated balance sheet



kEUR	June 30, 2013	June 30, 2012	Dec 31, 2012
Assets			
<i>Cash and cash equivalents</i>	29,411	29,099	93,250
<i>Available for sale financial assets</i>	52,976	0	0
<i>Trade accounts receivable</i>	13,891	16,261	16,266
<i>Other current assets</i>	6,075	6,587	9,115
<i>Assets of disposal group classified as held for sale</i>	0	3,345	0
Total current assets	102,353	55,292	118,631
<i>Tangible and intangible assets</i>	23,355	25,678	24,950
<i>Other non-current assets</i>	82	3,634	469
Total non-current assets	23,437	29,312	25,419
Total Assets	125,790	84,604	144,050
Liabilities & Shareholders' equity			
Current liabilities	22,705	29,123	38,489
Non-current liabilities	3,978	2,264	4,484
Shareholders' equity	99,107	53,217	101,077
Total liabilities & shareholders' equity	125,790	84,604	144,050

Consolidated cash flow statement



kEUR	H1 2013	H1 2012
Income from continuing operations	-2,184	-371
Income from discontinued operations	-315	-54
Income before income tax	-2,499	-425
Depreciation & amortisation	3,475	3,673
Changes in operating assets & liabilities	-703	-3,663
Interest income / expense	-13	-195
Income taxes paid	-7,783	-874
Other items	332	-139
Cash used in operating activities	-7,192	-1,623
Purchase of assets	-4,332	-1,882
disposal of subsidiaries	595	0
Purchase of available for sale financial assets	-52,981	0
Cash used in investing activities	-56,718	-1,882
Dividend paid	0	-6,690
Interest received	78	258
Interest paid	-7	-6
Cash provided by financing activities	71	-6,438
Change in cash and cash equivalents	-63,839	-9,945
Cash and cash equivalents at the beginning of reporting period	93,250	39,048
Cash and cash equivalents at the end of reporting period	29,411	29,103
Cash and cash equivalents as well as short-term available for sale financial assets at the end of reporting period	82,387	29,103

Thank you for your attention!

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