



3U HOLDING AG

Success in megatrends

Marburg, July 2019

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3U achieves significant revenue and earnings growth in Q1/2019

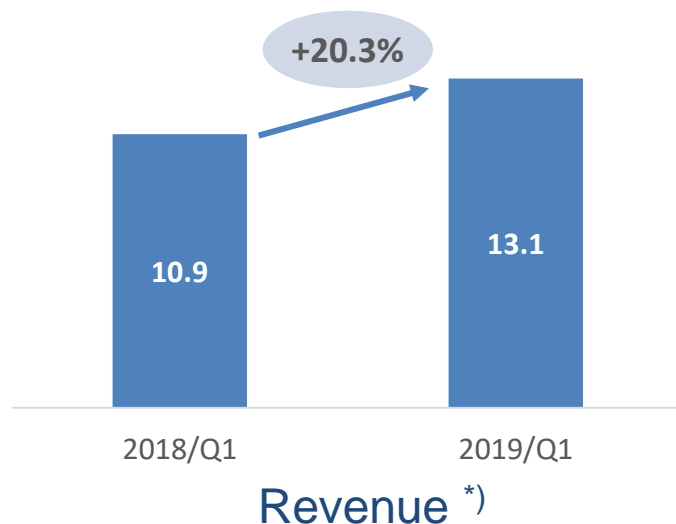
- Growth drivers cloud computing and online trading
- Renewable energies benefit from favourable weather conditions
- EBITDA increases in all three segments
- Debt further reduced, equity ratio 53.85%
- Forecast for financial year 2019 confirmed

Significant events in the first quarter of 2019

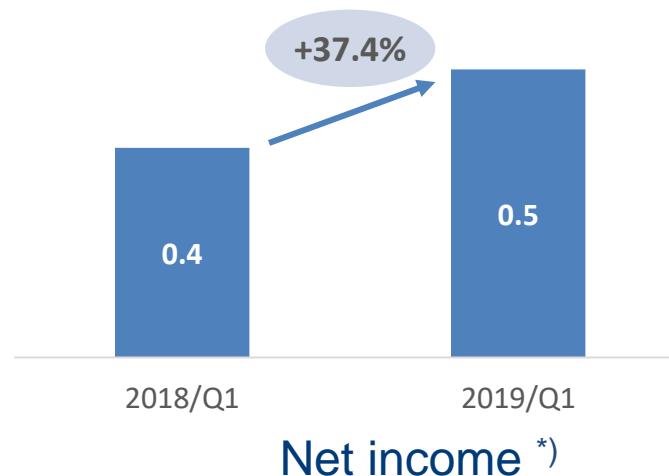
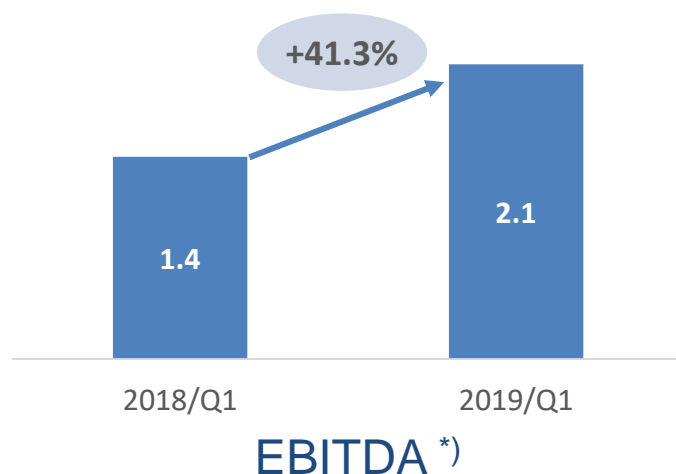
- Due to government decisions: Project development of wind farms temporarily downscaled
- weclapp: New location established in Frankfurt am Main and sales partnership strategy enhanced
- 3U TELECOM: Next Generation network comprehensively implemented and first customers secured for Virtual Net Operation business

SIGNIFICANT GROWTH IN THE FIRST QUARTER

*) in EUR mn

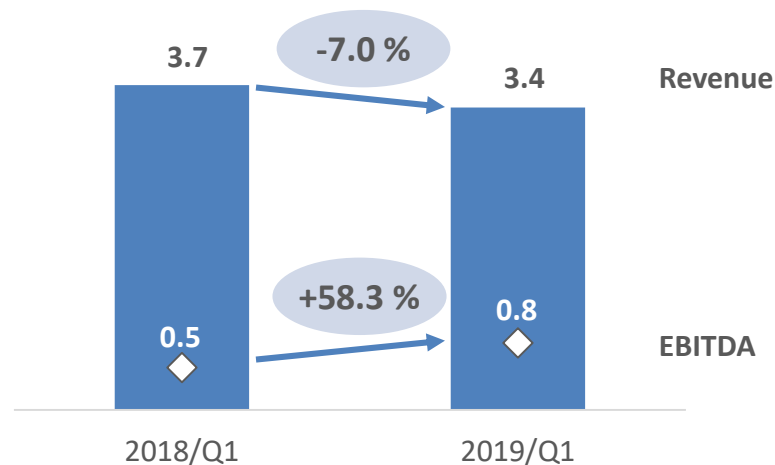


- Growth drivers cloud computing and online trading
- Renewable energies benefit from favourable weather conditions



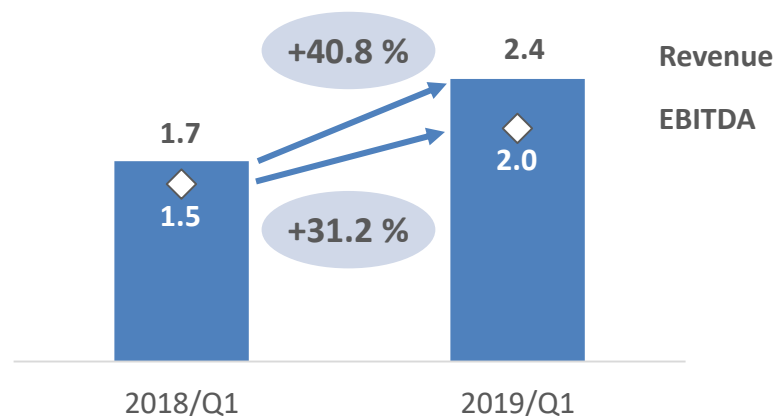
IN Q1/2019: STRONG PERFORMANCE IN ALL THREE SEGMENTS

Revenue and EBITDA in EUR mn

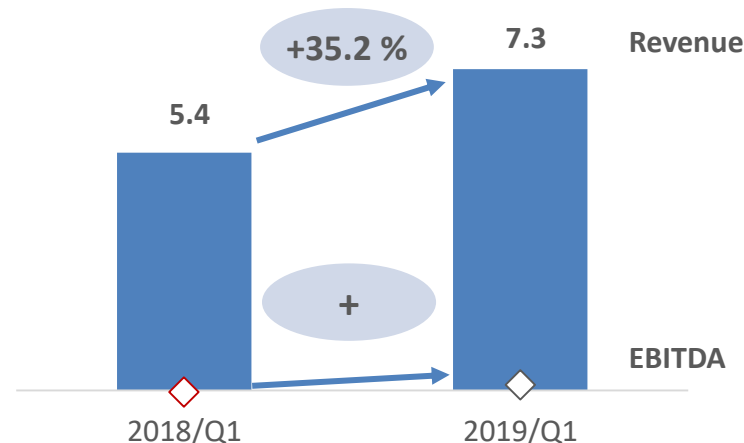


ITC

- ITC: Voice retail declining as expected, Cloud Computing grows by 50% to EUR 1.0 mn with high profit
- Renewable energies: High margins, benefits from favourable weather conditions in Q1
- SHAC: Online trading grows faster than other SHAC business and is profitable; optimisation of supply-chain-management and margin improvement being stepped up



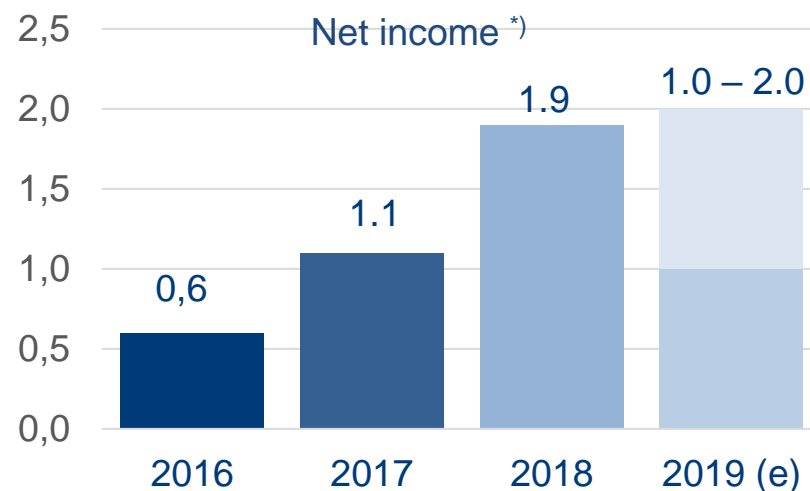
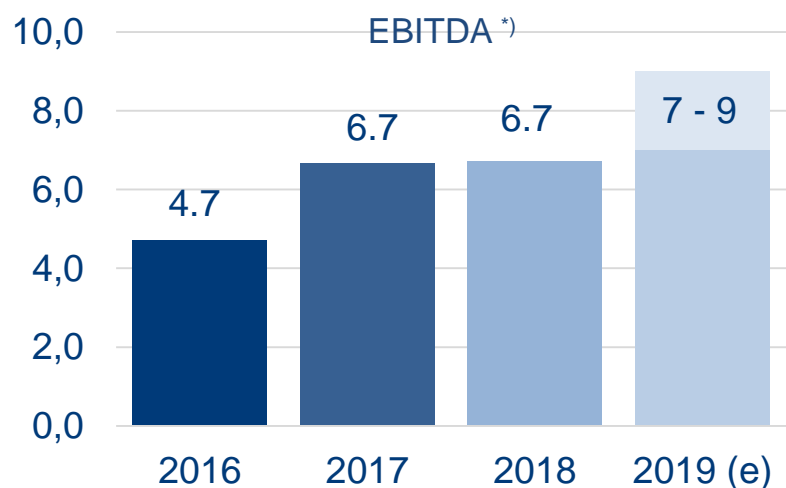
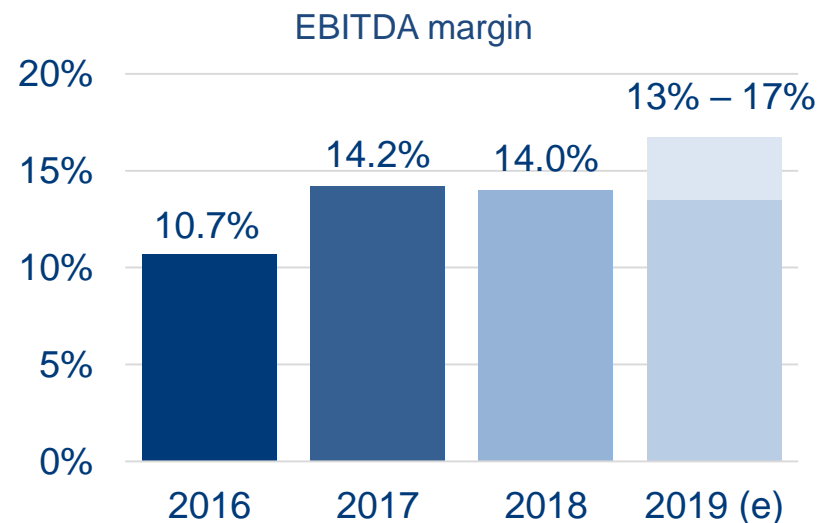
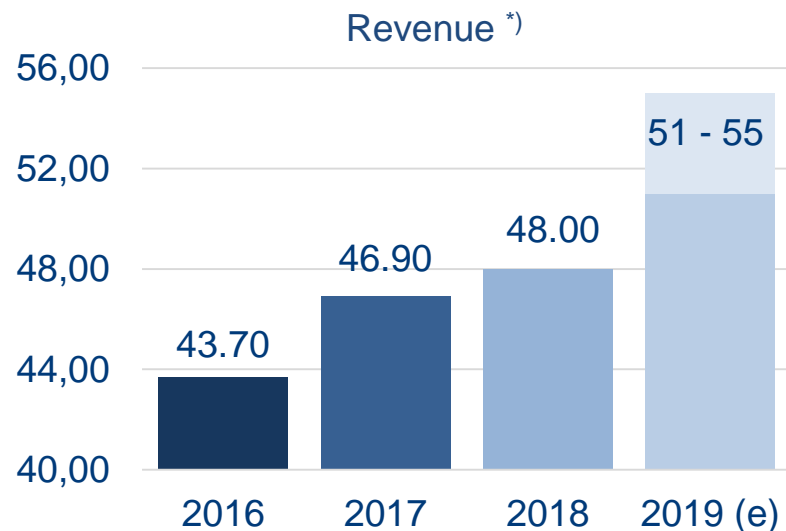
Renewable energies



SHAC

3U GROUP: FORECAST CONFIRMED SUSTAINABLY PROFITABLE GROWTH AHEAD

*) in EUR mn: 2016 – 2019 (e)



3U growth strategy:

enhance technologies, overcome barriers to growth, tap potential

- ✓ Successful business models in three megatrends:
 - Cloud computing
 - E-commerce
 - Renewable energies
- ✓ Goal: market leadership in key business areas
- ✓ Profitable business models in all three segments
- ✓ Net profit increased for three years in a row
- ✓ Dividend increased for three years in a row
- ✓ Significant revenue growth ahead for 2019 and beyond
- ✓ Development and employment of leading edge technologies from next-generation networks in telecommunications and DCS to artificial intelligence in cloud computing and e-commerce

ITC segment

Information and
telecommunication technology



Cloud computing
ERP for SME

Telecommunications

DCS

Software
licenses

RE segment

Renewable
energies



**- Project
development**

**- Project
acquisitions and
disposals**

- Power generation

SHAC segment

Sanitary, heating, air
conditioning



- E-commerce

- Production

- Logistics

- Planning

- Construction



➤ **ITC strategy:**

- Increasing focus on cloud computing at **weclapp**
- Dynamic progress via organic and non-organic growth
- Sustainable profitability in shrinking voice communication



➤ **Renewable energy strategy:**

- Successful project management and RE power plant proprietor (focus on onshore wind farms) at **3U ENERGY PE**

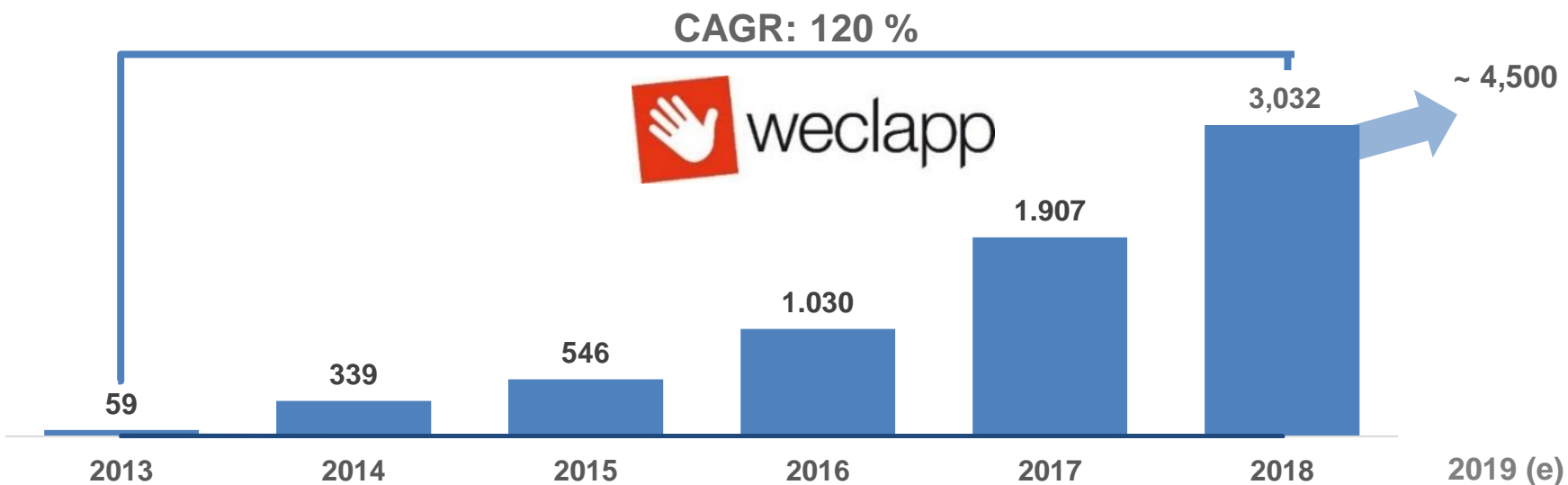
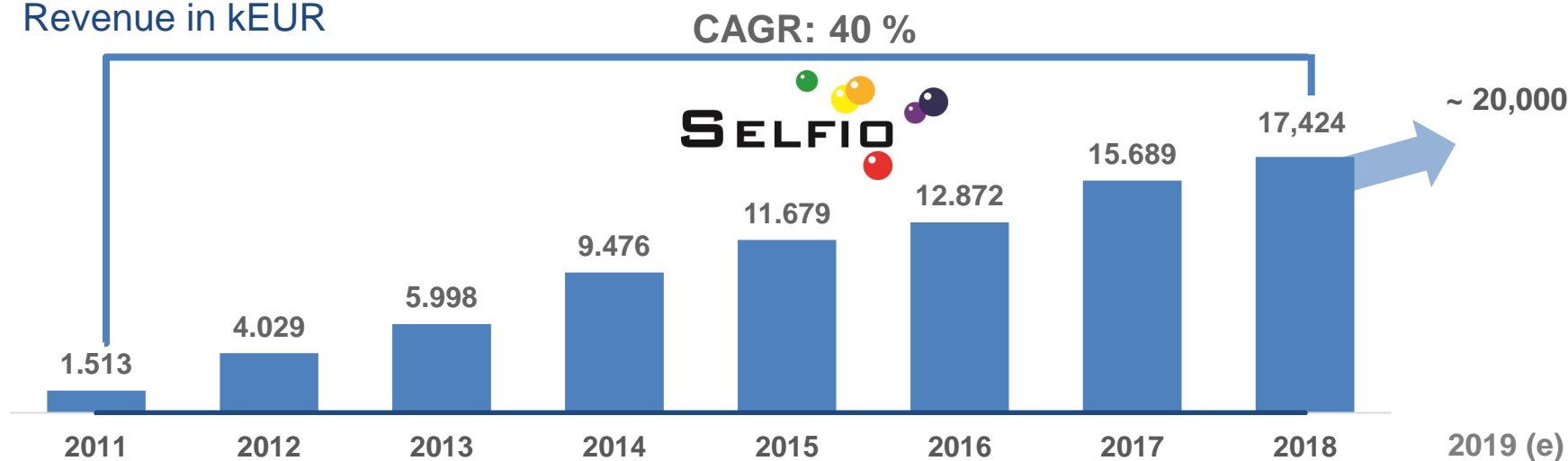
➤ **SHAC strategy:**

- Expanding existing business areas, predominantly the e-commerce activities, to establish a leading commercial SHAC platform at **Selfio** through organic and non-organic growth
- Improving profitability through process and supply chain optimization in order to keep up with fast growth



KEY GROWTH DRIVERS: E-COMMERCE AND CLOUD-COMPUTING

Revenue in kEUR

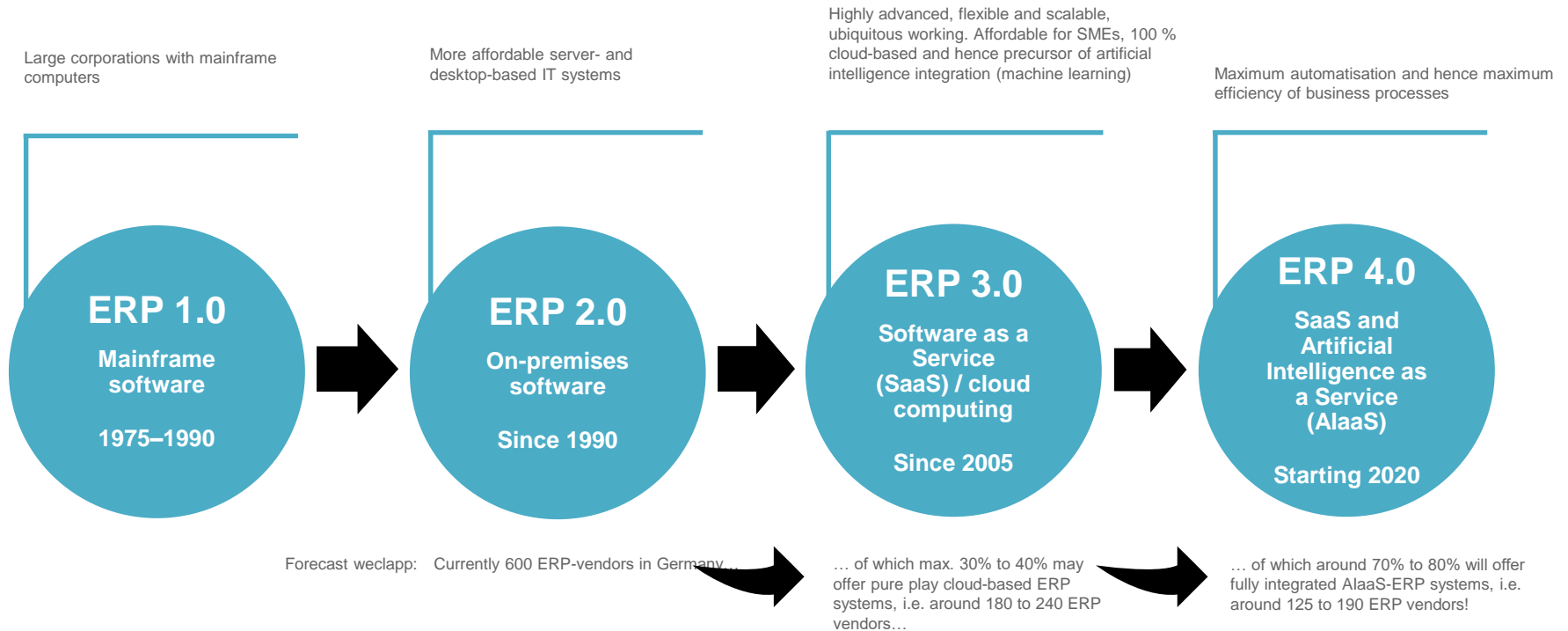


Organic growth continues – strategic acquisitions ahead



weclapp

On its way to becoming an
international leader in cloud-based
ERP solutions



Bottom line: With a mature, viable, 100% cloud-based, comprehensive ERP system and the potential of a fully fledged artificial intelligence enhancement now in development, the growth opportunities for weclapp are brilliant – in Germany and abroad!

weclapp: cloud-based ERP system – rich in functionalities for the entire enterprise



CRM

Easily manageable customer and contact management tool



Sales

Smooth order processing to boost your sales



Purchase

Smart supplier administration and control over incoming goods



Logistics

Useful administration with interfaces to shipping service providers



Production

Powerful features to optimize the production cycle of an article



Projects

Coordinate projects with transparent task and team management



Accounting

Efficient online finance management with valuable evaluations



Warehouse

Convenient stock monitoring through inventory postings and evaluations



Invoices

Create professional invoices in your company's own design



weclappPOS

Flexible, intuitive and web-based POS system for retailers



Helpdesk

Professional and time-saving handling of customer inquiries



Shop Interfaces

Bidirectional interfaces keep all your e-commerce data in sync

- For three years in a row (2016–2018), weclapp was awarded the “cloud-based ERP system of the year” trophy
- Again in 2018, weclapp was honoured for:
 - Customer communication
 - Specific customer benefit
 - Technology & scope of integration
 - And, newly, its future-oriented research and development activities in the field of business process automation via artificial intelligence



Prof. Dr. Gronau Ertan Oezdil
Potsdam University CEO weclapp



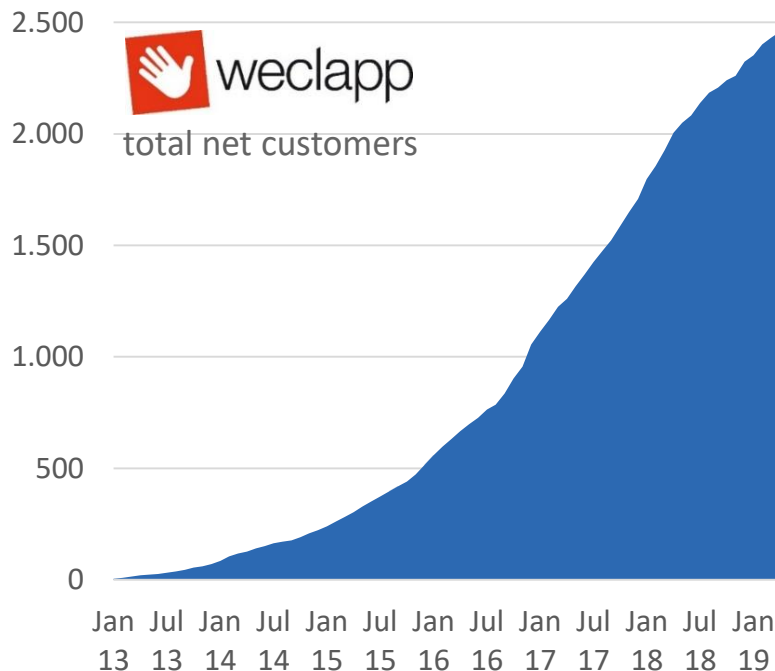
Market potential

Number of SMB

Cloud software spending
(2015, 18 % CAGR)



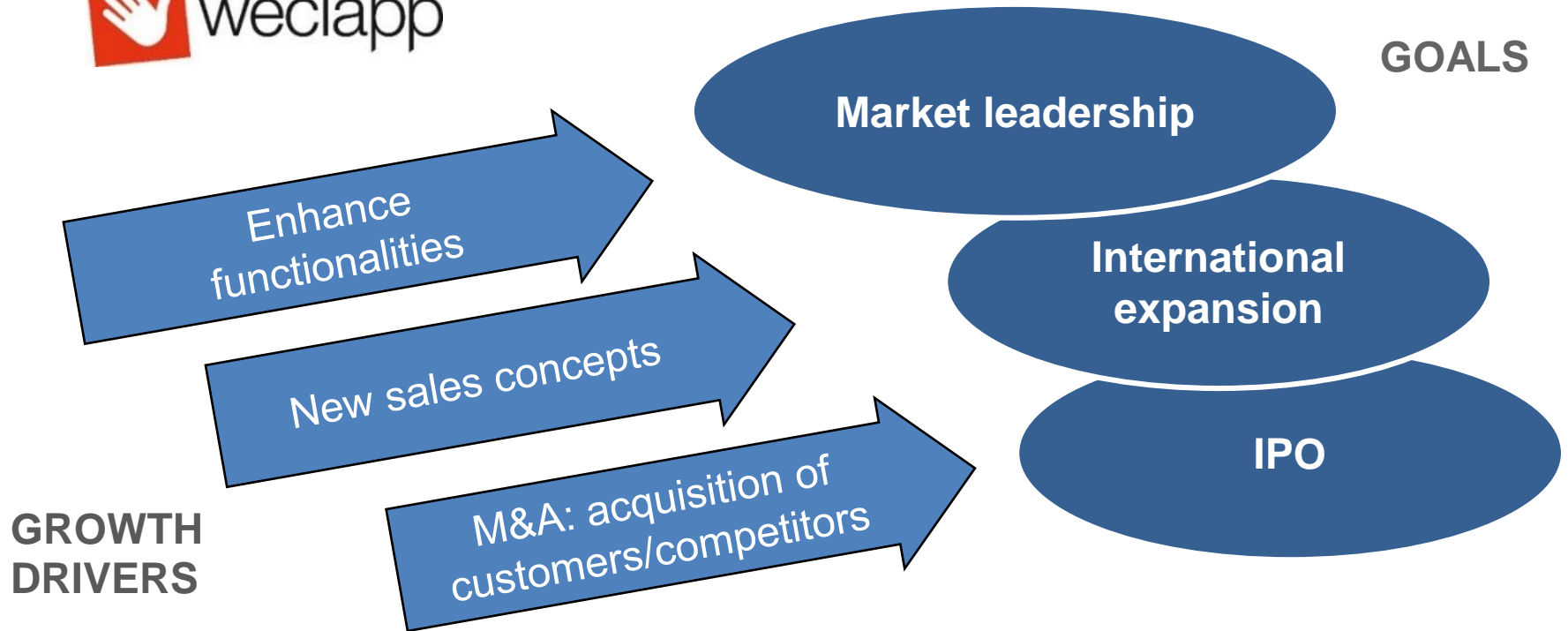
- Cloud computing as a megatrend: growth of 25% p.a. in Germany
- Above-average potential at small and medium-sized companies
- Trend from on-premises solutions to cloud solutions for CRM and ERP
- Market still highly fragmented at present, with a range of providers



- Sales growth of over 100% p.a. in the past 3 years
- Now more than 2,500 corporate customers and more than 10,000 users per day in 35 countries, with a focus on Germany

➤ **Medium and long-term goals:**

- Grow faster than the market: CAGR > + 100% (organic and through acquisitions)
- weclapp to become one of the leading cloud CRM and ERP providers in Germany (in Europe, and worldwide)



CONTINUOUS IMPROVEMENT

Ensure profitability, invest in the future

Increase pace and developer capacity (internal and external)

- ✓ Innovative, fast-growing, cloud-based SaaS enterprise on its way to technology and market leadership
- ✓ Sophisticated, operational, multi-award-winning ERP suite for SMEs, successfully on the market since the start of 2013
- ✓ > 2,500 satisfied business customers
- ✓ Sales CAGR > 50%
- ✓ NOPAT/sales approx. 20%
- ✓ Consistently high margins and cash flows
- ✓ M&A strategy for additional growth (rapid development of further market segments, internationalisation)
- ✓ Investment option: up to EUR 15 million; pre-IPO financing of the future market leader in cloud-based ERP solutions for SMEs
- ✓ EXIT: IPO and/or trade sale



Option:

IPO of weclapp

Medium and long-term strategy

- Accelerated growth, partly by means of increasing focus on bigger customers
- Internationalisation of the online marketing strategy, gradual expansion of the online marketing strategy that we have applied very successfully so far in the D-A-CH region
- Establishment and expansion of internationally positioned partner sales, organic and non-organic
- Establishment and expansion of an internationally broadened organisational and IT infrastructure
- Stepping up research & development activities: artificial intelligence (AI)
- Repeated acquisition of competitors' customer bases, i.e. acquisitions of ERP producers and full-service IT service providers/IT systems companies as suitable sales partners, initially within the D-A-CH region and then internationally

Investment criteria for cloud computing

- ERP on-premises software
- “Functional fit” as high as possible
- Degree of standardisation as high as possible (customisation for each customer as low as possible)
- Number of customers as high as possible
- Number of employees as low as possible
- Number of sales partners as high as possible
- Goal: full migration of customers to the weclapp SaaS in the short to medium term; no inefficient parallel operation of multiple ERP systems in the long term!

Approach and measures

- Consultancy mandate with renowned institution, partly for the purpose of creating a qualified target list, exposés, approach, etc.
- Collaboration with sector-specific M&A consultants/boutiques
- Ongoing review of offers received

weclapp potential: ambitious P&L goals for 2019–2023

Assumptions: We continue the success story so far:

- Average sales growth CAGR for 2019–2023: approx. 50%
- Average customer growth CAGR for 2019–2023: approx. 40%
- EBITDA margin: up to 30 %

weclapp planning [in EUR million]	2019	2020	2021	2022	2023
Sales	4.5	7.5	11.8	19.0	25.6
EBITDA	1.3	2.4	3.3	5.4	7.4

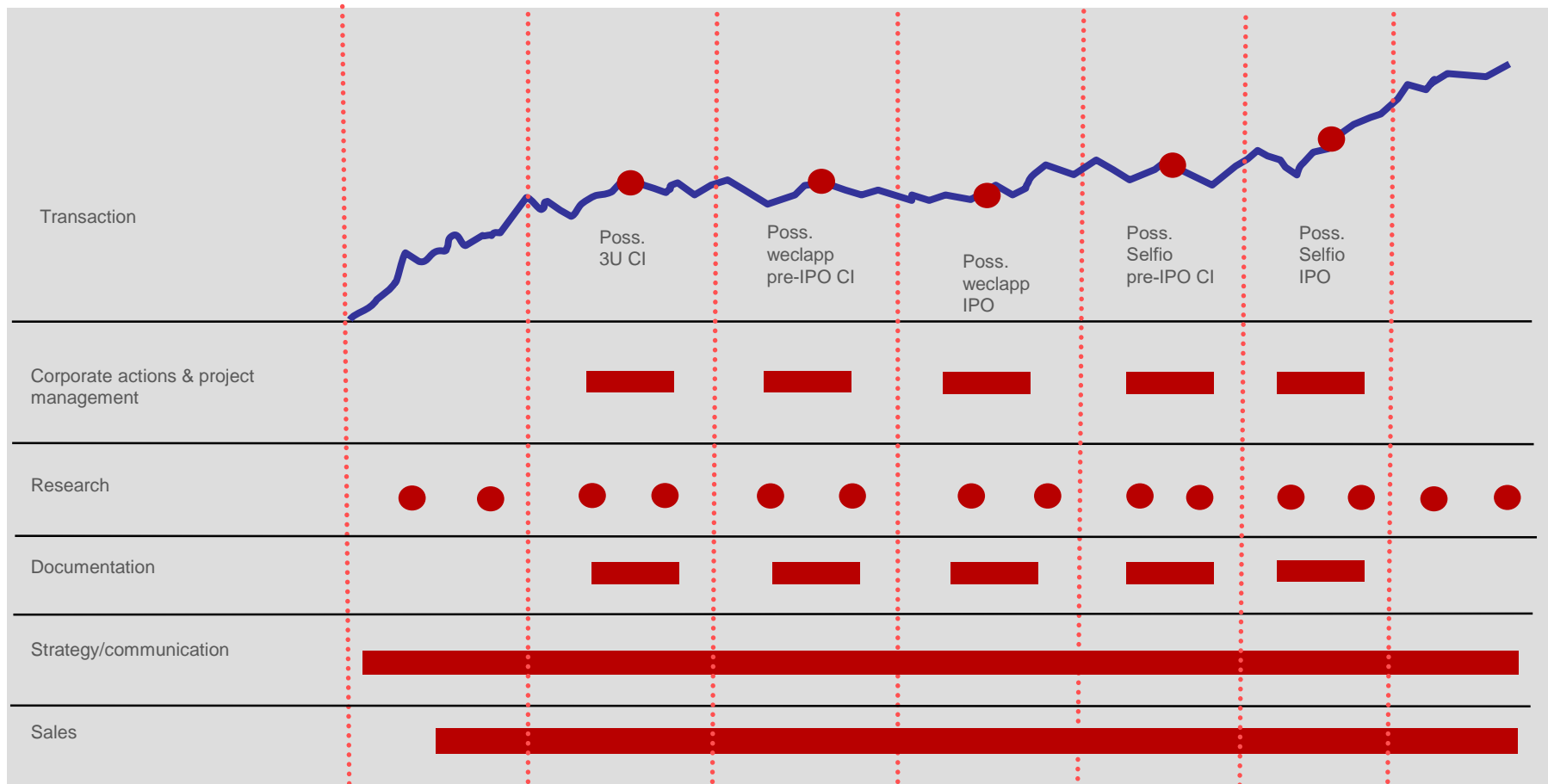
- To finance future growth, the Management Board is examining various options, including a potential IPO of weclapp

Option: IPO of weclapp SE in 2020

- In view of weclapp's excellent international growth prospects, with significant investments required
 - in internationally effective online and offline marketing
 - in establishing and expanding internationally positioned partner sales
 - in establishing and expanding an internationally broadened organisational and IT infrastructure
 - in stepping up R&D and artificial intelligence activities in the future
 - and particularly in acquiring competitors' customer bases

we are continuously seeking support from the capital market and aiming for high issue proceeds of > EUR 100 million

CAPITAL MARKET STRATEGY AS PART OF OUR GROWTH STRATEGY FOR 2019–2021





Selfio:

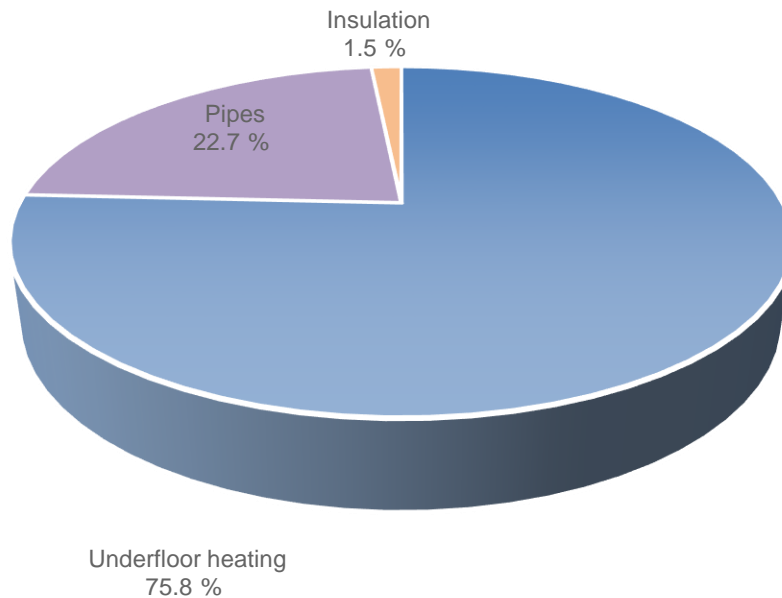
Successful in online trading thanks to
high quality of advice and sales

- Founded in 2011, Selfio is an online trader (www.selfio.de) of professional DIY products, including well-known brands such as Buderus, Wilo, Grundfos, Biral, Junkers, Viessmann and Wolf.
- Approx. 200,000 customers, currently with approx. 6,000 new customers each month
- USP: high quality of advice – online and personal
- Over 5,000,000 video clicks on our YouTube channel SelfioTV – more than 70 videos with installation instructions and tips – over 4,700 YouTube subscribers
- 120,000–140,000 visitors to the website each month
- 90% end customers, 10% business customers

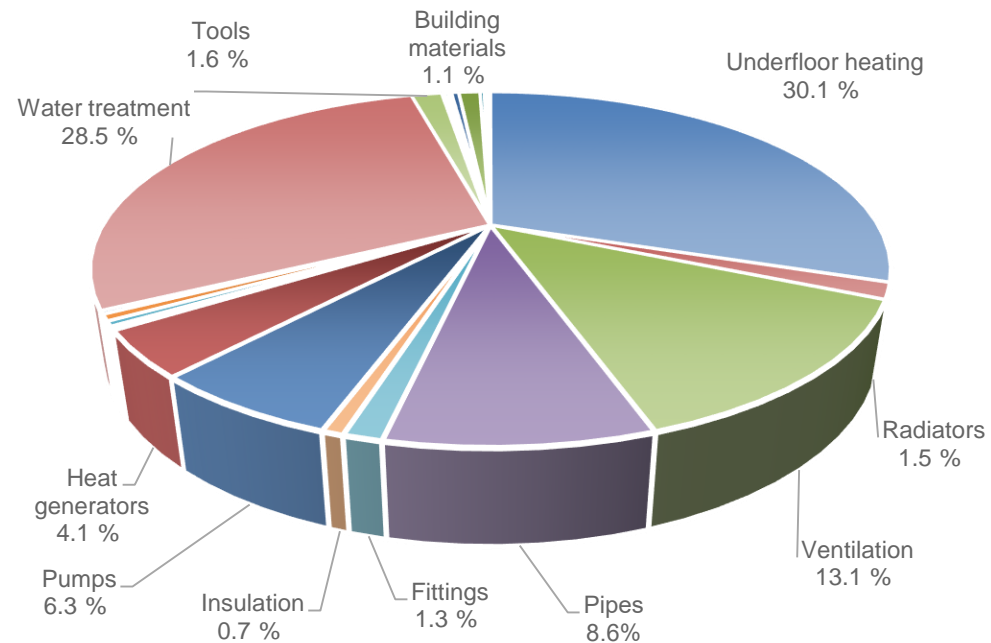


Adapting to the market and customers entails diversification of risks in the product portfolio

Breakdown of sales in 2011 in %



Breakdown of sales in 2018 in %

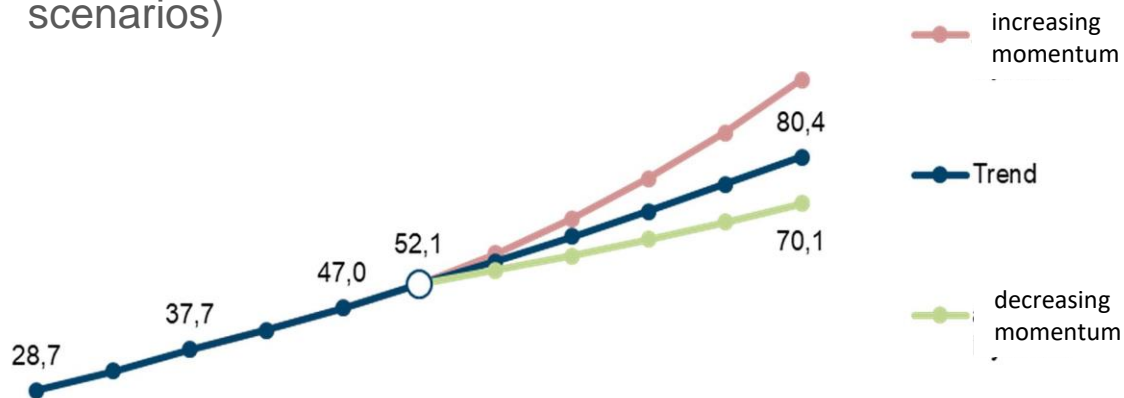


➤ Strategy:

- Expansion of 3U's online trading activities into a leading, profitable trading platform for sanitary, heating and air conditioning technology (SHAC) by means of internal and external growth
- Improvement in profitability



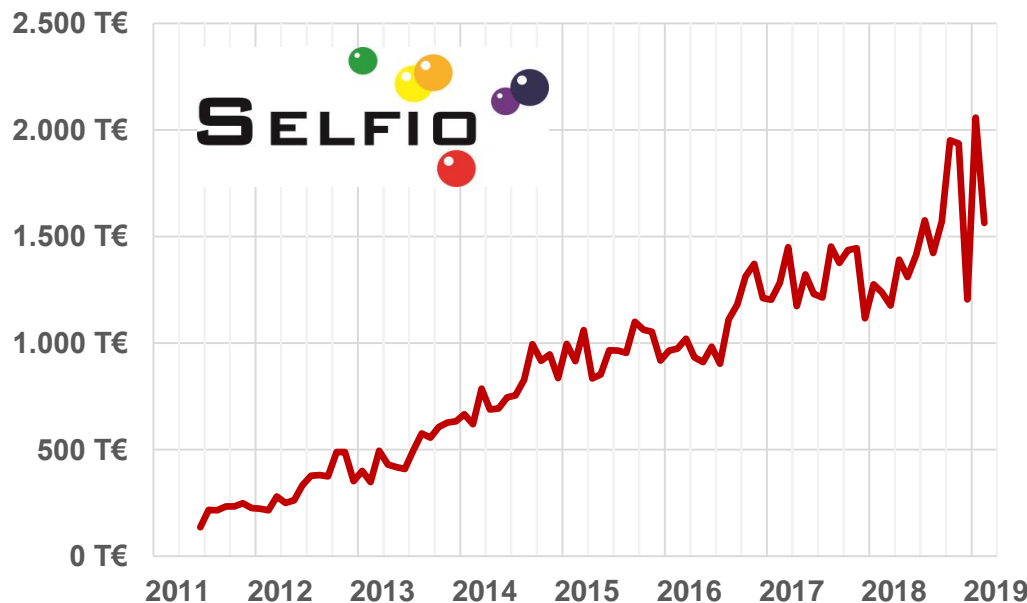
Online sales in Germany* (Forecast for 2017–2021 in three scenarios)



*(in EUR billion)

- E-commerce demand in the SHAC sector set to rise at an above-average rate of over 14% p.a. up to 2030
- Shift in demand for SHAC towards online trading has only just begun
- 3U playing an active role in consolidation of the market

Sales per month: growth from 2011 to present



Category of construction & DIY (without branch network)



Sehr gut
4.78/5.00

Zertifizierter Shop

- ✓ Dynamic sales growth from kEUR 80 per month in 2011 to around kEUR 1,750 in 2018
- ✓ Professionalisation, expansion of product range and targeting of additional customer segments
- ✓ Profitability always ensured despite focus on growth

➤ Medium and long-term goals:

- Among the 100 German online shops with the highest sales in the next 2–4 years
- Sales target of > EUR 50 million and improvement in profitability through economies of scale



GOALS

Gain market share
⇒ Top 100 Online Vendors

International expansion

Profitability

Content, Visibility, Traffic

Wider scope of products and services

Enhanced value creation through cooperations

GROWTH DRIVERS

CONTINUOUS IMPROVEMENT

Logistics optimisation and enhancement

Optimisation data usage/algorithms/software

Organic growth in 3U's online trading

- Medium and long-term increase in storage space from approx. 4,000 m² to 7,500 m² by establishing a new warehouse and logistics centre
- Optimisation, particularly of key processes for supply chain management and after-sales management
- Launch of additional platforms:
 - Online B2B trading
 - Online platform for renting tools, equipment and machinery
- Online DIY series "Selfio Model Home"
- Development and establishment of online configuration tool for underfloor heating and online price comparison tool
- Stepping up content marketing
- Optimisation/automation of merchandise management system

Non-organic growth in 3U's online trading

- Stepping up M&A activities for non-organic growth in 3U's online trading from 2020 onwards
- In the meantime, development of trust and cooperation as part of our expansion of B2B business



Renewable energy:
Wind and solar power

➤ **Strategy:** Successful project manager in the field of renewable energy

- Cash flow is generated from income from power generation
- Primarily onshore wind power projects
- 3U Group as buyer and seller of already constructed wind farms
- Non-organic expansion of 3U's project portfolio to 100 MW targeted
- Power generation capacity currently at around 45 MW
- Energy generated:
52,006 MWh (2018) vs. 57,622 MWh (2017)
10% decrease due to weather conditions
(PV up 25%, wind down 16%)





Summary

- 2018 was a successful year, and 2019 will be considerably better.
- We see strong potential for further sales growth and increased earnings in 2019 and the following years.
- We create value
 - thanks to the rapid growth story in cloud computing
 - thanks to the dynamic expansion of our online trading activities in the SHAC segment to achieve a market-leading position
 - thanks to the expansion of our capacity for power generation from renewable energy to around 100 MW in the coming years



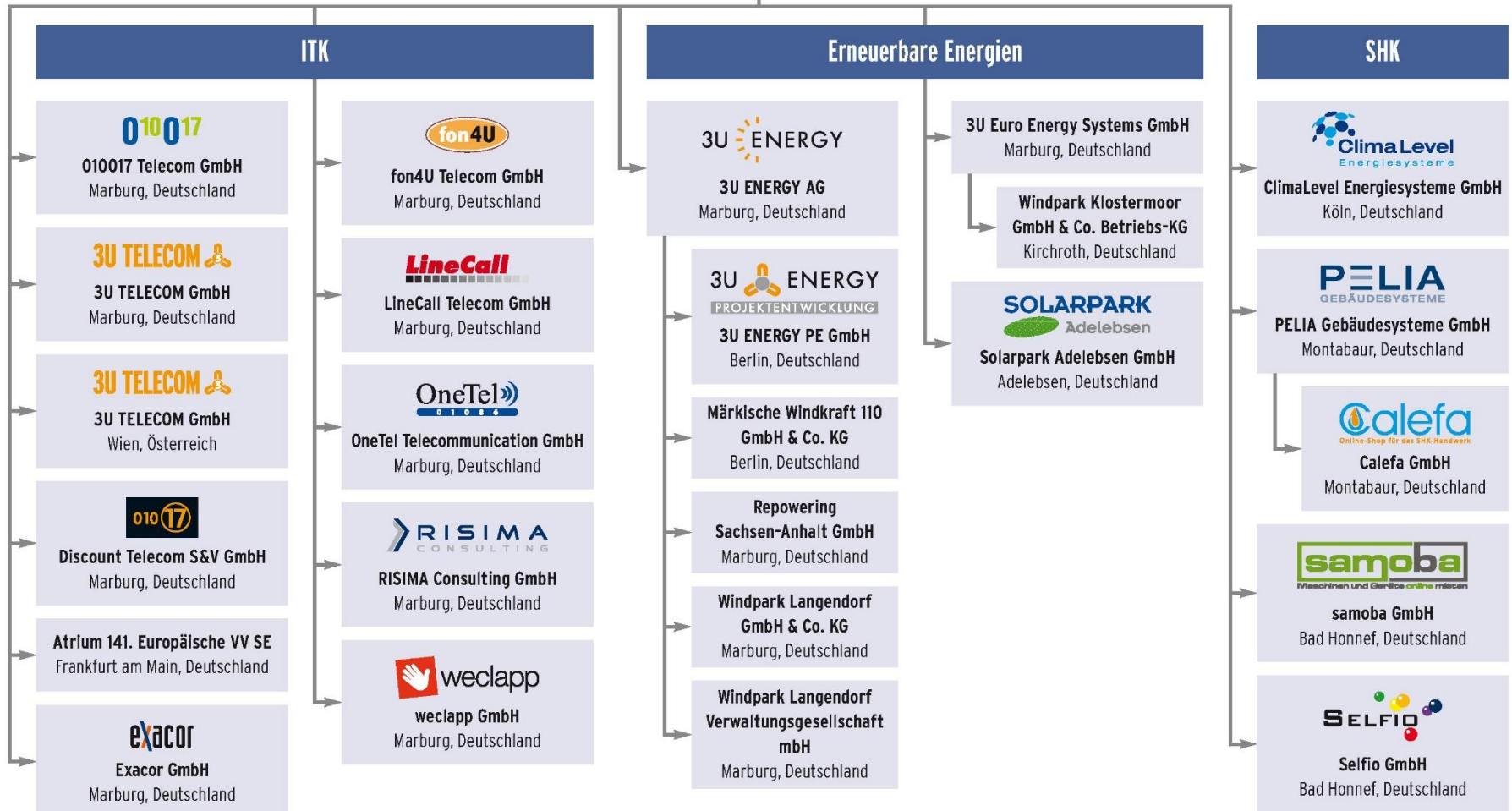


Annex

in EUR million	31 March 2019	31 Dec. 2018
Total assets	77.9	74.5
Inventories	7.5	7.0
Cash and cash equivalents	12.4	12.3
Equity	43.0	42.4
Equity ratio	53.8%	55.6%
Gearing (debt/equity)	85.7%	79.7%
Free cash flow (op. CF + inv. CF)	1.2 (3 months)	8.7 (full year)

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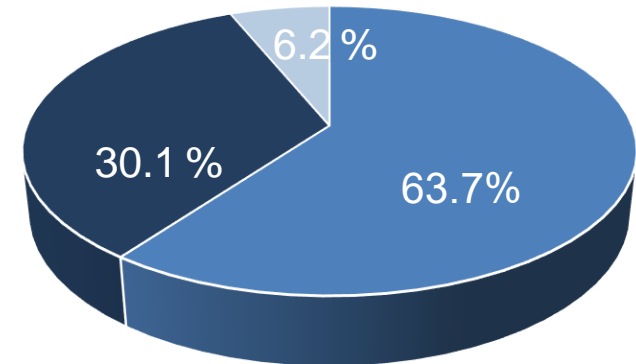
Marburg, Deutschland, Vorstand: C. Hellrung, A. Odenbreit, M. Schmidt



Share price performance (12 months)



Shareholder structure



- Free float
- Management and Supervisory Board
- Treasury shares

Information on the share

Market segment	Prime Standard
Number of shares outstanding	35.31 million
ISIN	DE0005167902
Bloomberg ticker	UUU

Dividend policy:

- Roughly half of the consolidated net profit is distributed in the form of dividends
- For the 2018 financial year, a dividend of EUR 0.03 was paid out
- The dividend was paid without deducting capital gains tax (payment out of the tax deposit account)

Date	Event
14 August 2019	Publication of 2019 half-year financial report
2–3 September 2019	Participation in Fall Conference (Frankfurt)
27 September 2019	Participation in Baader Investment Conference (Munich)
7 November 2019	Publication of quarterly communication on Q3 2019
25–27 November 2019	Participation in Equity Forum (Frankfurt)

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