

IONOS

Q1 2024 Results

8 May 2024



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Forward-looking statements are provided to allow (potential) investors the opportunity to understand management’s beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment.

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In the interests of clear and transparent reporting, financial presentations, the annual financial statements and interim statements of IONOS Group SE, as well as any ad-hoc announcements pursuant to Art.17 MAR and other financial information contain additional financial performance indicators to those required under International Financial Reporting Standards (IFRS), such as EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, EBIT and free cashflow. Information on the use, definition and calculation of these performance measures is provided in the Annual Consolidated Financial Statements 2023 of IONOS Group SE or is explained in an associated footnote.

Agenda



- Business Update
- Financials
- Outlook
- Q&A

Beyond the IONOSphere – FY 2023 performance drivers

€1.42bn total revenue (10% yoy growth)

High revenue visibility and predictability¹

~80% recurring revenues²

Subscription-based business model

€390mn adj. EBITDA³ (27.4% margin)

Attractive profitability

~90% cash conversion rate⁴

Highly cash generative

~6.19mn customers

Unparalleled European SMB customer access

Leverage 2.7x⁵

Deleveraging by ~0.5x per year going forward

€ 14.70 ARPU(+5.0% yoy)

Strong cross and up-selling

~NPS of >32⁷

Quick and predictable recovery of CAC

14x+ CLTV/CAC⁸

Targeted and efficient customer acquisition

~12 months payback⁹

Quick and predictable recovery of CAC

¹Refers to webhosting market share based on company data analysis and HostAdvice; ²Equivalent to total revenue excl. revenue from Aftermarket business (sedo); ³FY2023, adj. EBITDA is defined as EBITDA adjusted for either non-recurring items or non-operating items; ⁴Defined as adj. EBITDA less maintenance capital expenditures divided by adj. EBITDA. Maintenance capital expenditures = capital expenditures for replacements and in the ordinary course of business; ⁵Leverage 31.12.2023, defined as Net Debt / LTM adj. EBITDA; ⁶Based on external revenues excl. Aftermarket; ⁷NPS as per Q4 2023; ⁸Refers to IONOS brand. Customer Acquisition Cost (CAC) calculated as the amount of recurring and variable marketing expenses (in €) divided by the number of customers gained over a period, Customer Lifetime Value (CLTV) calculated as (1/churn)*Average Revenue Per Customer*Gross Profit contribution; ⁹Incl. discounts

IONOS – The Leading European SMB digitalization partner & trusted cloud enabler

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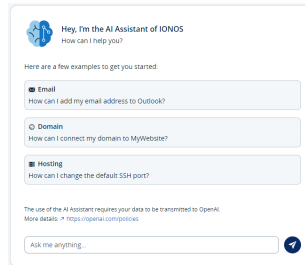
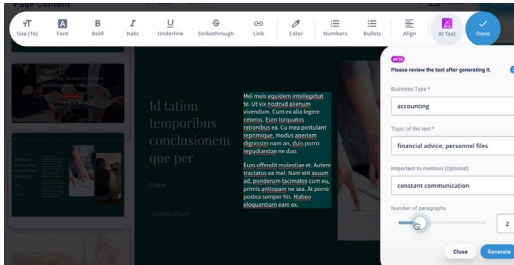
¹ Total revenue including ~€11.5mn revenue from Hosting Services to UI Group companies

² excl. Aftermarket

AI @IONOS - pioneering the future

Customer facing AI products & features

- AI-powered MyWebsite ✓
- AI assisted newsletter tool ✓
- AI-powered website creation ✓
- AI Model Hosting Private Beta ✓
- AI based domain search ✓
- AI based features ✓
- Up- and cross selling ✓
- Customer interaction ✓



Internal use of AI

- Github Copilot ✓
- Text & image generation ✓
- Fraud Detection ✓
- Translation services ✓
- Financial modelling ✓



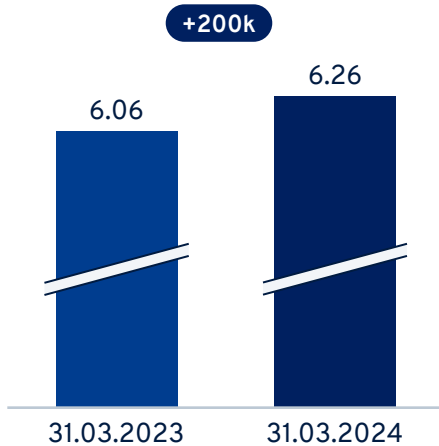
Moving Germany to the cloud - lighthouse project for ITZBund

- IONOS sets up a completely self-contained enterprise cloud environment in ITZBund data centres (“air-gapped” Cloud)
- According to current planning, trial operations are set to start by the end of 2024 and initial use is expected
- The project volume is completely variable and depends on the volumes taken up by ITZBund over the next 5 years
- This lighthouse project underlines the positioning of IONOS as a leading provider in Europe as well as the quality and competitiveness of our products
- Further use cases for IT.NRW, Dataport, HPI-School Cloud



Excellent kick-off for 2024

Customers (in mn)



Churn remains at best-in-class level of ~1% per month

ARPU (in € per month)



ARPU growth through successful up- and cross selling

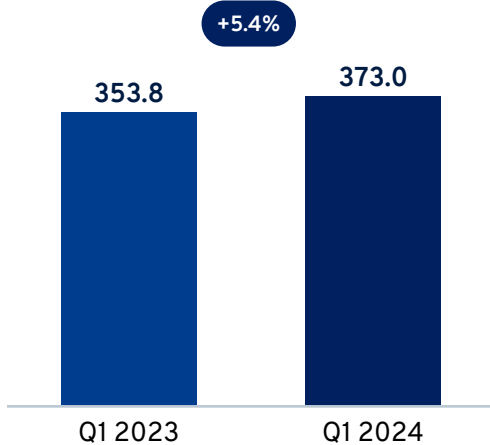
- Customer base increased by 200,000 yoy
- Customer growth of 70,000 in Q1 2024 (Q1 2023: 60,000)
- Strong increase in ARPU of +9.7% to €15.80, driven by successful up- and cross-selling, strong Cloud growth and the introduction of new pricing structures

Solid Q1 2024 performance

Industry leading growth with high visibility

Total revenue (€mn)

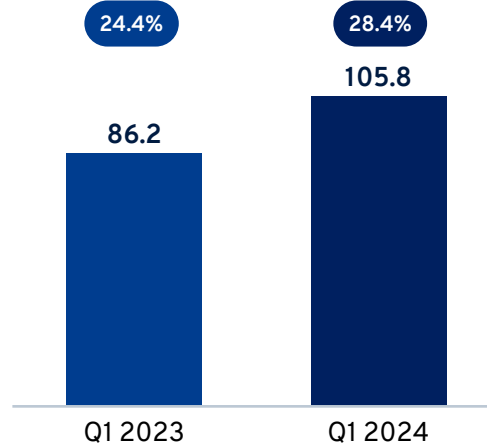
% yoy growth



Attractive profitability

Adj. EBITDA (€mn)

% Adj. EBITDA margin



- Revenue growth of +5.4% yoy (revenue growth excl. Aftermarket at +12.8% yoy)
- Adj. EBITDA increased by +22.7% yoy
- Adj. EBITDA margin increased to 28.4%
- Marketing investments at approximately the same level as in the previous year – slightly different timing of investments compared to the previous year

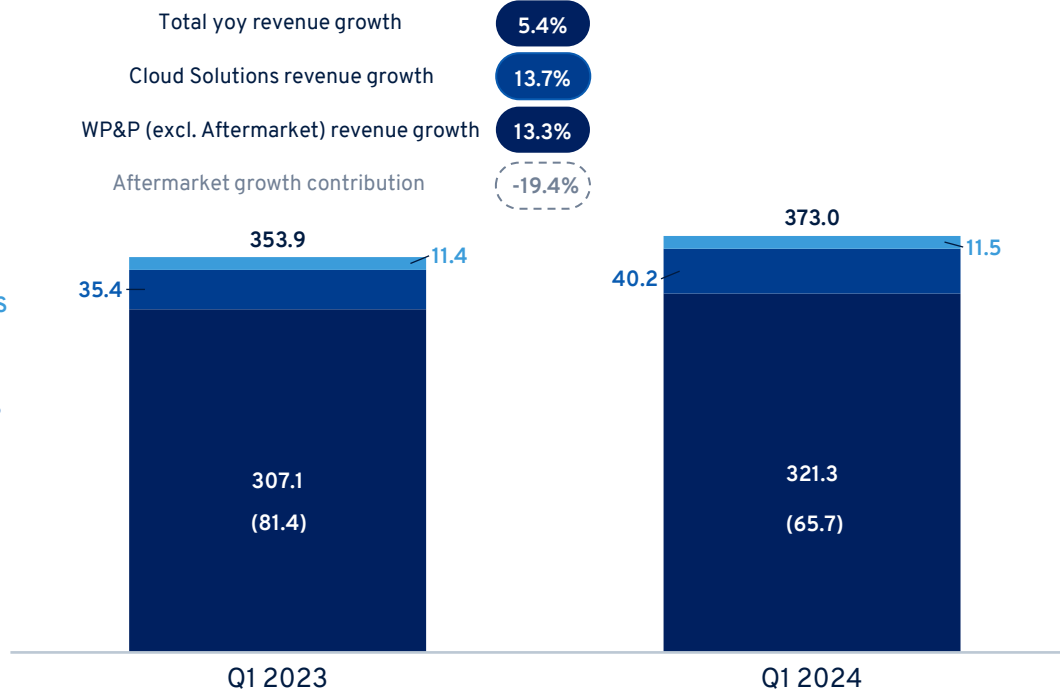
Robust Revenue Growth Driven by Key Business Areas

Total revenue (in €mn)

HOSTING SERVICES
TO UI GROUP
COMPANIES

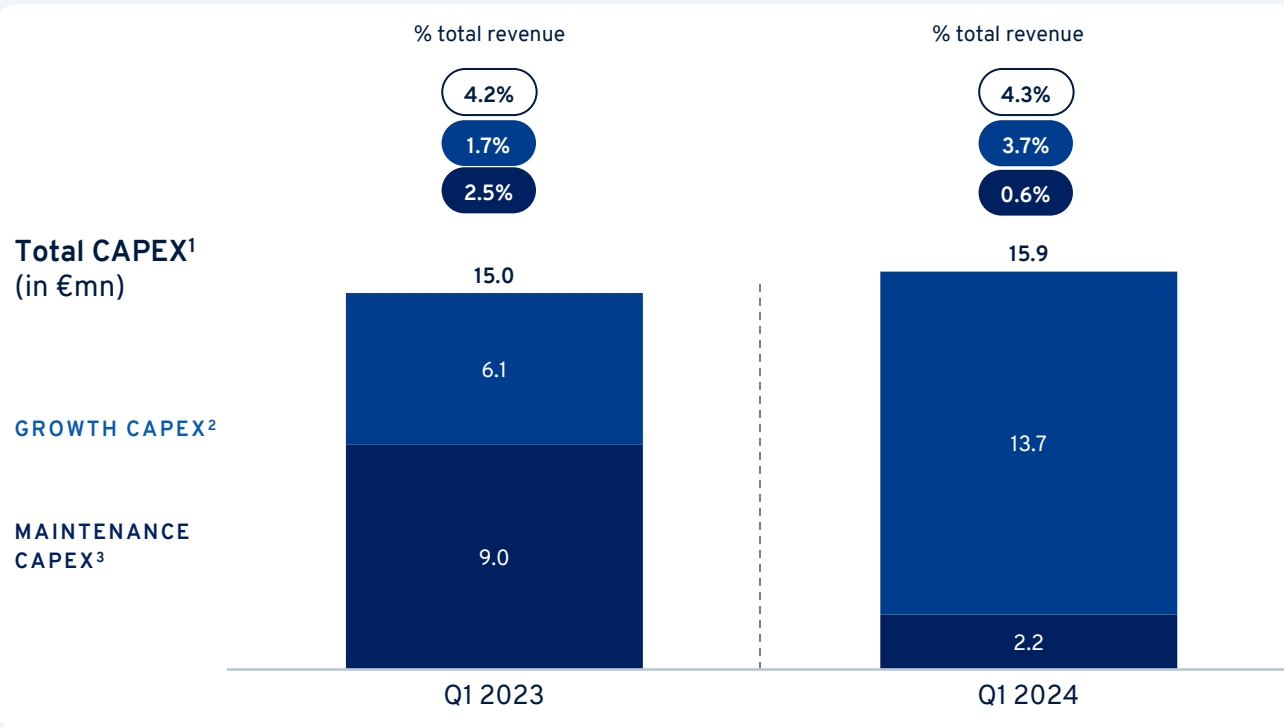
CLOUD SOLUTIONS

WEB
PRESENCE &
PRODUCTIVITY
(o/w Aftermarket)



- Web Presence & Productivity with growth of 4.6% in Q1 2024 (+4.2% at constant currency)
- Overall weak advertising markets in the first three months result in lower Aftermarket revenues (-19.4% yoy or -19.1% yoy at constant currency)
- Web Presence & Productivity excl. Aftermarket with strong growth of +13.3% yoy in Q1 2024 (+12.6% yoy at constant currency)
- Cloud Solutions growing +13.7% in Q1 2024 (+13.4% yoy at constant currency)

Well invested asset base with low and predictable maintenance capex requirements



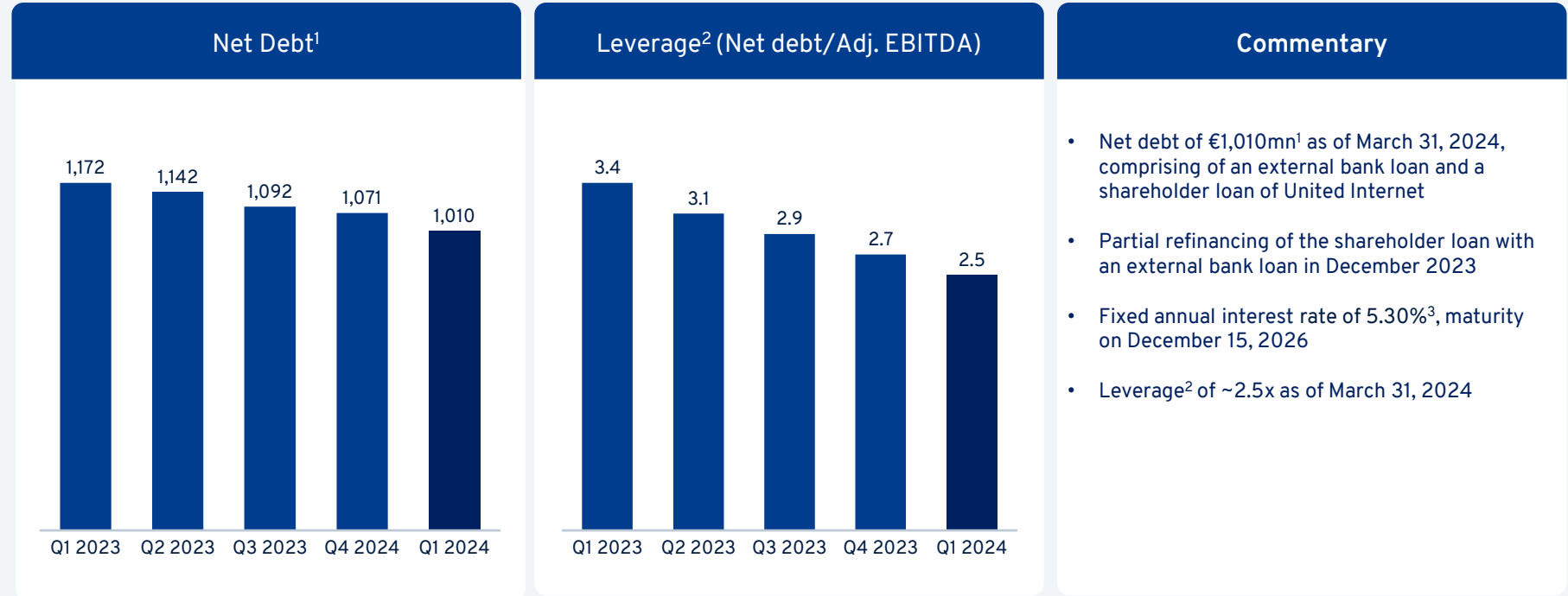
- Total CAPEX as % of total revenue increased to 4.3% (prev. year: 4.2%)
- Low and predictable maintenance CAPEX requirements
- Majority of growth capex is related to Cloud Solutions
- Expected CAPEX for FY 2024E: ~€100mn (CAPEX/total revenue of ~6-7%)

CAPEX figures refer to CAPEX excl. leasing

¹ Maintenance capital expenditures (excl. additions to right-of-use assets) include capital expenditures for replacements in the ordinary course of business;

² Growth capital expenditures defined as total CAPEX, excluding maintenance CAPEX

Debt at fixed interest rates without refinancing risk



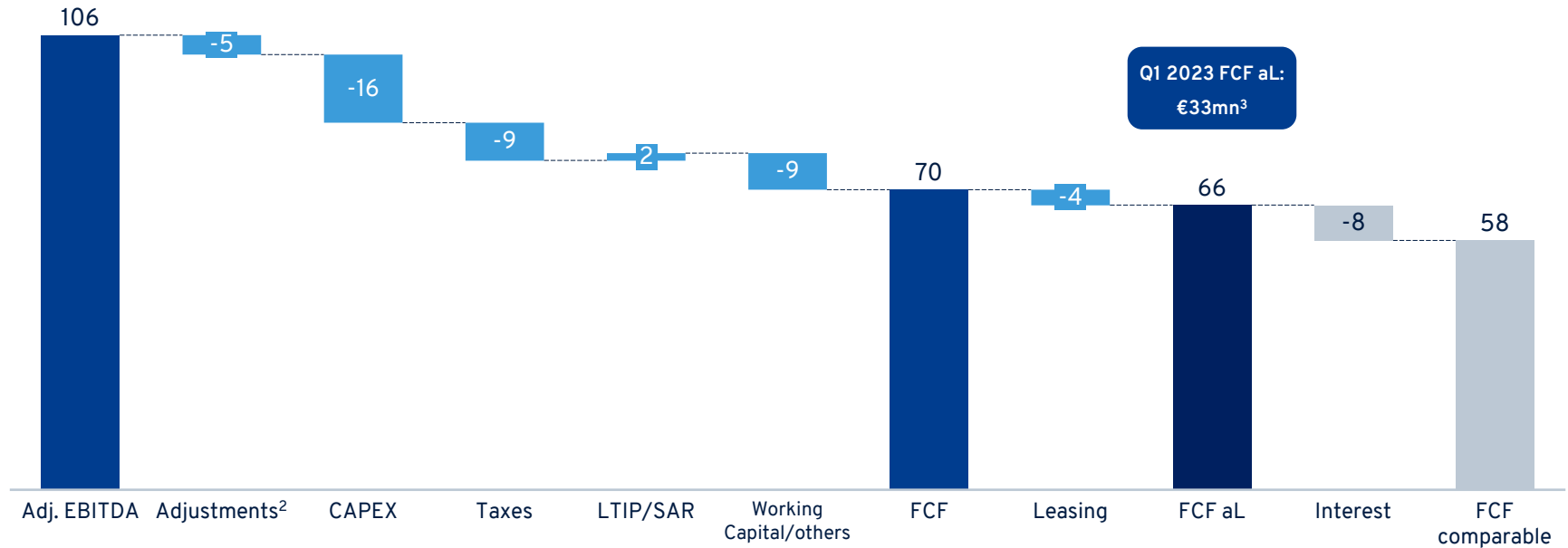
¹ Net Debt is the sum of liabilities to banks (31.03.2024: €800mn), non-current liabilities to related parties (31.03.2024: €350mn) and current liabilities to related parties (31.03.2024: €5mn), less receivables from related parties (31.03.2024: €117mn), less cash and cash equivalents (31.03.2024: €28mn) at the end of the period;

² Calculated as Net Debt / Adj. EBITDA LTM

³ as of 31.03.2024, calculated as weighted average interest rate of gross debt

Strong and highly predictable Free Cash Flow generation

FY 2023 adjusted EBITDA to (adjusted) Free Cash Flow¹ (FCF) bridge (in €mn)



¹ The cash flow statement was changed: Interest payments were reclassified from cash flows from operating activities to cash flows from financing activities. The changes are explained in more detail in the Group Annual Report 2023;

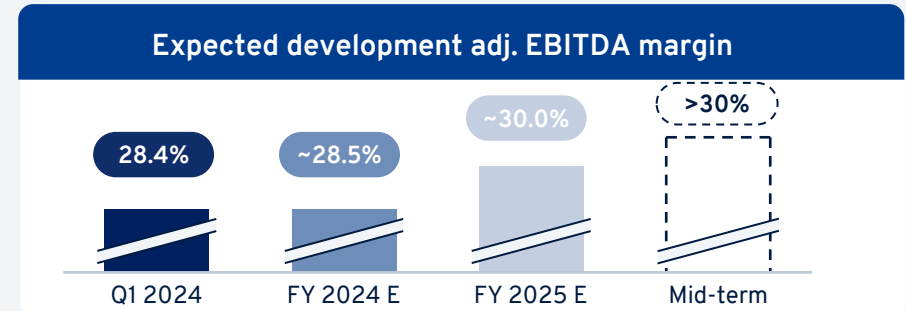
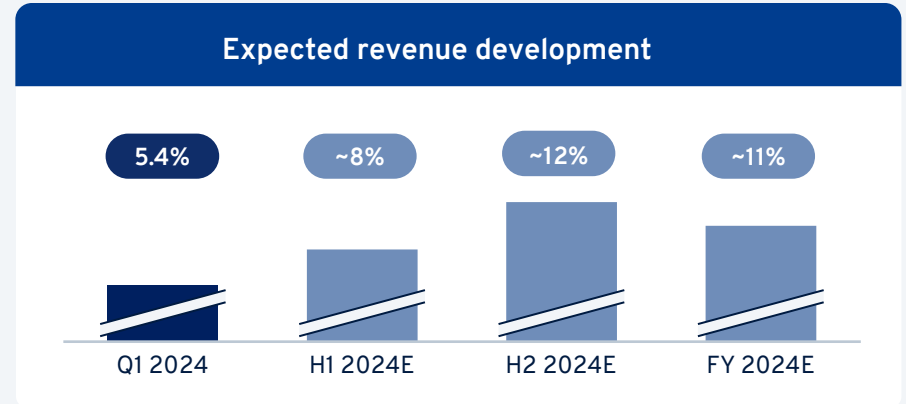
Free cash flow (FCF) is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment;

² Adjustments for either non-recurring items or non-operating items (i.e. LTIP, stand-alone costs)

³ including €13 million LTIP pay-out

Our guidance for 2024 and 2025

	Q1 2024	FY 2024E ¹
Total Revenue	5.4%	~11%
Web Presence & Productivity	4.6%	~10 - 12%
Cloud Solutions	13.7%	~15 - 17%
Adjusted EBITDA margin	28.4%	~28.5%



¹ Guidance for revenue is based on constant currency

Summary & conclusion



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RESILIENCE

Sustainable and resilient business with high recurring revenues

CAPEX

High visibility in CAPEX needs for the coming years, given well-funded asset base

AFTERMARKET

Slow-down of Aftermarket growth is anticipated and will dilute the EBITDA margin less in the future

GROWTH INVESTMENTS

Brand investments peaked in FY 2023 and will stay at this level, which will support margin expansion going forward

CLOUD

Opportunity for future growth with majority of the investments already made

PRODUCTS

Product portfolio re-designed for cross- and upsell and seamless expansion

COMPETITION

Competitive landscape: IONOS is ready to take share

GROWTH POSITION

We are very well positioned for future growth

Q&A

.online
.shop
.tech
.cloud .org
.eu .info
.com
.de

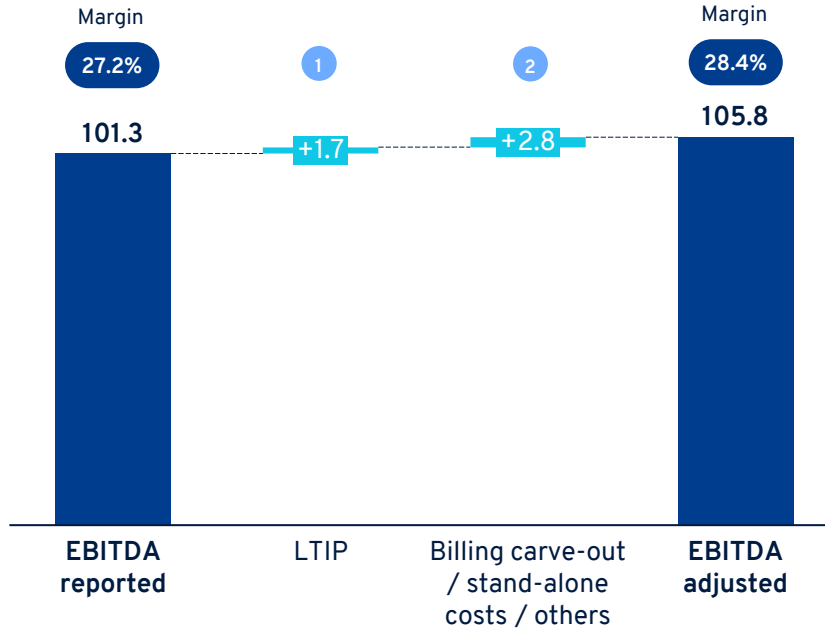


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Appendix

EBITDA to adj. EBITDA bridge

Q1 2024 EBITDA, adjustments and adj. EBITDA (in €mn)



1
Employee stock ownership program

2
Cost of the billing carve-out from United Internet Group, cost for the establishment of IONOS as an independent group and others

Financial Overview

in €mn	Q1 2023	Q1 2024	Change yoy	FY 2022	FY 2023	Change yoy
Total Revenue	353.8	373.0	+5.4%	1,293.0	1,423.7	+10.1%
Adj. gross profit ¹	224.1	254.2	+13.4%	844.3	928.4	+10.0%
Adj. EBITDA	86.2	105.8	+22.7%	345.6	390.3	+12.9%
EBIT	65.8	74.2	+12.8%	208.0	277.5	+33.4%
Adjusted EBT (excl. non-cash valuation effects from a contingent purchase price liability)	44.3	57.9	+30.7%	114.1	192.4	+68.6%
Adjusted EPS in €/share (excl. non-cash valuation effects from a contingent purchase price liability)	0.21	0.30	+42.9%	0.54	1.08	+99.4%

¹ Adjusted gross profit is calculated as revenue less cost of sales (excl. T&D and D&A)