

# IONOS

## Interim Statement Q3 2024

## SELECTED KEY FIGURES

	September 30, 2024	September 30, 2023	Change
<b>NET INCOME (in €k)</b>			
Revenue	1,141,607	1,058,709	7.8%
EBITDA	320,315	305,395	4.9%
Adjusted EBITDA	334,461	306,325	9.2%
EBIT	238,325	224,873	6.0%
Adjusted EBT <sup>(1)</sup>	192,483	160,196	20.2%
Adjusted EPS (in €) <sup>(2)</sup>	0.96	0.86	11.6%
<b>BALANCE SHEET (in €k)</b>			
Current assets	298,361	239,957	24.3%
Non-current assets	1,358,229	1,349,466	0.6%
Equity	98,631	-31,000	n/a
Equity ratio	6.0%	-2.0%	+8.0%-P
Balance sheet total	1,656,590	1,589,423	4.2%
<b>CASH FLOW (in €k)</b>			
Operative cash flow	270,771	243,999	7.8%
Cash flow from operating activities	285,704	235,603	21.3%
Cash flow from investing activities	-115,975	-94,877	22.2%
Free cash flow <sup>(3)</sup>	219,143	174,151	25.8%
<b>EMPLOYEES <sup>(4)</sup></b>			
Headcount as of September 30	4,092	4,198	-2.5%
thereof domestic	2,128	2,236	-4.8%
thereof foreign	1,964	1,962	0.1%
<b>SHARE (in €)</b>			
Share price as of September 30(Xetra)	22.40	14.34	56.2%
<b>CUSTOMER BASE (in Mio.)</b>			
thereof domestic	3.21	3.18	0.03
thereof foreign	3.09	2.95	0.14

<sup>(1)</sup> EBT excluding non-cash valuation effects from the contingent purchase price liability (EBT effect: €-11,773k; 2023: €+29,852k)

<sup>(2)</sup> EPS excluding non-cash valuation effects from the contingent purchase price liability (EPS effect: +€0.08; 2023: -€0.21).

<sup>(3)</sup> Free cash flow is defined as net cash provided by operating activities less capital expenditure on intangible assets and property, plant, and equipment, plus cash inflows from disposals of intangible assets and property, plant and equipment; reported including the repayment portion of lease liabilities reported in cash flows from financing activities.

<sup>(4)</sup> Active employees as of September 30, excluding temporary staff and apprentices.

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## Dear shareholders, employees and business partners,

IONOS Group SE continued its successful growth trajectory in the first nine months of 2024. Revenue, EBITDA and customer base continued to grow.

The number of customers rose by around 110,000 to 6.30 million in the first nine months.

Adjusted EBITDA rose by 9.2% to € 334.5 million in the first nine months of 2024 (9M 2023: € 306.3 million). The adjusted EBITDA margin increased accordingly to 29.3% (9M 2023: 28.9%).

Revenue increased by 7.8% compared to the same period of the previous year to 1,141.6 million (9M 2023: € 1,058.7 million). Revenue in the IONOS core business increased by 11.4% in the third quarter. The Aftermarket business grew just as strongly, with revenue up 11.5% compared to Q3 2023.

We are very satisfied with the company's development and are optimistic about the remaining months of the financial year and are well positioned for the next steps.

Based on the positive developments in the first nine months, IONOS confirms its forecast for 2024 and 2025. For the 2024 financial year, the company continues to plan currency-adjusted revenue growth of around 9% (2023: € 1.423 billion). The largest business, Web Presence & Productivity (excluding the Aftermarket business), is expected to continue to grow by around 11 - 12%, while the Cloud Solutions business will grow by around 13% (previously 15 - 17%). Revenue in the aftermarket business is expected to remain at the previous year's level.

The adjusted EBITDA margin is expected to be around 29% (2023: 27.4%), resulting in an adjusted EBITDA of around € 450 million (2023: € 390.3 million).

For 2025, IONOS continues to plan revenue growth of 10% and an increase in the adjusted EBITDA margin to around 30%.

We would like to express our sincere thanks to all employees, shareholders and business partners for their continued support of IONOS Group SE and their trust in our company.

Montabaur, November 12, 2024

Achim Weiß

# INTERIM STATEMENT ON THE THIRD QUARTER 2024

## Business Development

### Customer development in the first 9 months 2024

in Mio.	September 30, 2024	December 31, 2023	Change
<b>Total customers</b>	<b>6.30</b>	<b>6.19</b>	<b>0.11</b>
thereof domestic	3.21	3.19	0.02
thereof foreign	3.09	3.00	0.09

in Mio.	September 30, 2024	June 30, 2024	Change
<b>Total customers</b>	<b>6.30</b>	<b>6.28</b>	<b>0.02</b>
thereof domestic	3.21	3.20	0.01
thereof foreign	3.09	3.08	0.01

The **number of paying customers** increased by approximately 110,000 in the first nine months of 2024. This increase resulted in particular from our campaigns to strengthen / increase brand awareness in the IONOS Group, but also from the efficient use of performance marketing measures, with approximately 20,000 customers in Germany and approximately 90,000 customers abroad. In the third quarter, the number of paying customers increased by approximately 20,000, with 10,000 new customers in Germany and abroad, respectively. This brought the total number of customers to around 6.3 million.

### Quarterly development: Change compared to prior year quarters

in €k	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q3 2023	Change
Revenue	365,025	372,969	378,645	389,993	350,065	11.4%
EBITDA	79,985	101,303	106,098	112,914	101,380	11.4%
Adjusted EBITDA	83,971	105,807	112,233	116,421	105,476	10.4%
EBIT	52,599	74,158	78,656	85,511	74,490	14.8%

**Multi-period overview: Development of key revenue and earnings figures**

in €k	9M 2021	9M 2022	9M 2023	9M 2024	Change
Revenue	803,147	953,639	1,058,709	1,141,607	7.8%
EBITDA	250,186	258,857	305,395	320,315	4.9%
EBITDA margin	31.2 %	27.1 %	28.8 %	28.1 %	-0.7%-P
Adjusted EBITDA	270,350	275,754	306,325	334,461	9.2%
Adjusted EBITDA margin	33.7 %	28.9 %	28.9 %	29.3 %	+0.4%-P
EBIT	167,449	174,008	224,873	238,325	6.0%
EBIT margin	20.8 %	18.2 %	21.2 %	20.9 %	-0.3%-P

**Quarterly development: Adjusted EBITDA**

in €k	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q3 2023
EBITDA	79,985	101,303	106,098	112,914	101,380
Adjustment for LTIP <sup>(1)</sup>	1,759	1,671	1,892	1,030	1,367
Adjustment for stand alone activities <sup>(2)</sup>	2,174	2,474	3,059	2,530	2,729
Adjustment for IPO costs <sup>(3)</sup>	-44	0	0	0	0
Adjustment for severance payments <sup>(4)</sup>	97	360	1,184	-54	0
Total adjustments	3,986	4,505	6,135	3,507	4,096
Adjusted EBITDA	83,971	105,807	112,233	116,421	105,476

<sup>(1)</sup> Includes costs for employee stock ownership programs.

<sup>(2)</sup> Includes expenses in connection with the preparation of the separation from the United Internet Group and the establishment of ION-OS Group as an independent group (mainly costs for the billing carve-out project (decoupling from the billing systems of 1&1 Telecommunication SE)).

<sup>(3)</sup> Includes external costs incurred in connection with the IPO. In the comparative quarters, this includes the income from passing on the costs incurred in connection with the IPO to the shareholders, United Internet and Warburg Pincus.

<sup>(4)</sup> Includes expenses in connection with reorganization and restructuring measures, which primarily consist of severance payments and other personnel-related costs.

### Multi-period overview: Adjusted EBITDA

in €k	9M 2021	9M 2022	9M 2023	9M 2024
EBITDA	250,186	258,857	305,395	320,315
Adjustment for LTIP <sup>(1)</sup>	10,383	2,837	4,120	4,593
Adjustment for stand alone activities <sup>(2)</sup>	8,378	10,876	7,304	8,063
Adjustment for IPO costs <sup>(3)</sup>	0	3,183	-11,675	0
Adjustments for consulting fees incurred for one-off projects <sup>(4)</sup>	1,403	0	0	0
Adjustment for severance payments <sup>(5)</sup>	0	0	1,181	1,490
Total adjustments	20,164	16,897	930	14,146
Adjusted EBITDA	270,350	275,754	306,325	334,461

(1) Includes costs for employee stock ownership programs.

(2) Includes expenses in connection with the preparation of the separation from the United Internet Group and the establishment of ION-OS Group as an independent group (mainly costs for the billing carve-out project (decoupling from the billing systems of 1&1 Telecommunication SE)).

(3) Includes external costs incurred in connection with the IPO. In the comparative quarters, this includes the income from passing on the costs incurred in connection with the IPO to the shareholders, United Internet and Warburg Pincus.

(4) Includes consulting fees incurred for one-off projects e.g., reorganization measures.

(5) Includes expenses in connection with reorganization and restructuring measures, which primarily consist of severance payments and other personnel-related costs.

In the first nine months of 2024, **revenue** increased by +7.8% from €1,058,709k in the previous year to €1,141,607k. The increase in revenue is mainly due to the continued positive development of new customer business and higher revenue from cross-selling and upselling to existing customers. In addition, the rising level of revenues is also driven by the price adjustments introduced for some products in the second half of 2023 and a further expansion of our business activities in the Cloud Solutions product area. The revenue trend in the Cloud Solutions area is driven in particular by the further growth of the virtual private server products and the Key Account business around the Enterprise Cloud.

Growth in the aftermarket business accelerated again in the third quarter compared to the previous six months, resulting in growth of +11.5% in the third quarter compared to -4.6% in the first nine months of 2024. Excluding the Sedo aftermarket business (domain trading platform and domain parking), revenue growth amounted to 11.4% in the third quarter and 11.3% in the first nine months of 2024.

Overall, revenues from contracts with customers are distributed across product revenues from the Web Presence & Productivity business area in the amount of €985,352k (first nine months of 2023: €915,396k; +7.6%) and from the Cloud Solutions business field of €122,182k (first nine months of 2023: €110,089k; +11.0%). Total revenue also includes revenues from related parties, i.e., companies of the United Internet Group. These revenues grew slightly (first nine months of 2024: €34,073k; first nine months of 2023: €33,224k; +2.6%).

**EBITDA** developed positively in the first nine months, increasing by €14,920k to €320,315k (+4.9%), despite a temporary increase in marketing expenses compared to the same period of the previous year (€-11,736k) and the income from the recharging of costs incurred in connection with the IPO to the shareholders United Internet and Warburg Pincus in the amount of €11,675 in the previous year. The EBITDA margin decreased year-on-year from 28.8% in the first nine months to 28.1%.

**Adjusted EBITDA** increased as planned by 9.2% from €306,325k to €334,461k in the first nine months of 2024, with a change in the timing of marketing spend. The **adjusted EBITDA margin** of 29.3% in the first nine months was above the margin of 28.9% in the previous year.

**EBIT** increased by 6.0% from €224,873k to €238,325k, developing positively as a result of the effects described above.

At 20.9%, the **EBIT margin** for the first nine months of 2024 was slightly below the margin for the previous year of 21.2%.

## Position of the Group

For the first nine months of 2024, there were no acquisition and divestment effects on Group revenue and EBITDA.

## Earnings position

### Multi-period overview: Development of key cost items

in €k	9M 2021	9M 2022	9M 2023	9M 2024	Veränderung
Cost of sales	382,838	509,166	552,442	579,897	5.0 %
Cost of sales ratio	47.7%	53.4%	52.2%	50.8%	-2.7%
Gross margin	52.3%	46.6%	47.8%	49.2%	+1.4%-P
Selling expenses	190,101	203,213	216,457	239,607	10.7%
Selling expenses ratio	23.7%	21.3%	20.4%	21.0%	0.6%-P
Administrative expenses	55,097	59,751	68,667	75,754	10.3%
Administrative expenses ratio	6.9%	6.3%	6.5%	6.6%	+0.1%-P

For the development of **revenues**, please refer to the comments on business development.

In the first nine months of 2024, the **cost of sales** increased by +5.0% year-over-year to €579,897k, while revenue increased by +7.8%, causing the gross margin to increase from 47.8% to 49.2%. This development was mainly due to the lower volume of the lower-margin aftermarket business at Sedo.

In the first nine months of 2024, **selling expenses** increased by +10.7% (+€23,150k) compared to the previous year and thus developed similarly to revenue growth. There was an increase in personnel expenses (+€9,347k; +10.0% compared to the previous year) and a temporary increase in purchased marketing services (+€11,736k, or 17.2% compared to the previous year). As a result of the developments described above, the selling expenses ratio increased by +0.6 percentage points in the first nine months.

In the first nine months of 2024, **administrative expenses** increased by +10.3% (+€7,087k) compared to the previous year. This was due in particular to higher costs for money transactions, an increase in third-party services, and higher license costs for software.

The net position from **other operating income and expenses** decreased by €7,735k to €5,081k (previous year: €12,816k). In the previous year, this item included income unrelated to the accounting period from the charging of IPO costs in the amount of €11,675k.

The **financial result** amounted to € -57,162k (September 30, 2023: € -34,774k) and was characterized by a valuation adjustment of the purchase price liability in connection with the acquisition of STRATO AG (€-11,773k; previous year: €+29,852k). In addition, the repayment of a loan from United Internet AG resulted in lower interest expenses (first nine months of 2024: €-44,390k; first nine months of 2023: €-61,877k).

As the measurement of the purchase price liability in connection with the acquisition of STRATO AG, which resulted in income of €26,418 thousand, did not lead to the recognition of a deferred tax item in the first



nine months of 2023, the group tax rate increased significantly in the first nine months of 2024 (from 20.9% in September 2023, to 32.1% in September 2024). After **tax expenses** of €58,095k (previous year: €39,784k), the group result amounted to €122,615k (previous year: €150,263k).

**Earnings per share (EPS)** amounted to €0.88 as of September 2024, compared to €1.07 as of September 2023. In the previous year, net income was significantly affected by income from the change in a purchase price liability (EPS effect: €+0.21). The change as of September 2024 had an EPS effect of €-0.08. **Adjusted EPS** (excluding the earnings effect from the measurement of the purchase price liability) amounted to €0.96 in the first nine months of 2024 and €0.86 in the first nine months of the previous year.

## Financial position

### Development of key cash flow figures

in €k	9M 2024	9M 2023	Change
Operative cash flow	270,711	243,999	10.9%
Cash flow from operating activities	285,704	235,603	21.3%
Cash flow from investing activities	-115,975	-94,877	22.2%
Free cash flow <sup>(1)</sup>	219,143	174,151	25.8%
Cash flow from financing activities	-171,865	-141,403	21.5%
Cash and cash equivalents as of September 30	20,566	25,904	-20.6%

<sup>(1)</sup> Free cash flow is defined as net cash provided by operating activities less capital expenditure on intangible assets and property, plant, and equipment, plus proceeds from disposals of intangible assets and property, plant and equipment; reported including the repayment portion of lease liabilities, which are reported in cash flow from financing activities.

### Multi-period overview: Development of key cash flow figures

in €k	9M 2021	9M 2022	9M 2023	9M 2024
Operative cash flow	237,558	214,078	243,999	270,711
Cash flow from operating activities	225,850	219,602	235,603	285,704
Cash flow from investing activities	-64,308	-86,568	-94,877	-115,975
Free cash flow <sup>(1)</sup>	149,652	134,446	174,151	219,143
Cash flow from financing activities	-215,371	-142,298	-141,403	-171,865
Cash and cash equivalents as of September 30	53,386	42,828	25,904	20,566

<sup>(1)</sup> Free cash flow is defined as net cash provided by operating activities less capital expenditure on intangible assets and property, plant, and equipment, plus proceeds from disposals of intangible assets and property, plant and equipment; reported including the repayment portion of lease liabilities, which are reported in cash flow from financing activities.

**Net cash inflows from operating activities** amounted to €285,704k and increased by €50,101k compared to the previous year (September 2023: €235,603k). This development is mainly due to the continued positive business development compared to the previous year, lower payments for employee participation programs, and lower advance tax payments in the first nine months of 2024.

In the reporting period, **net cash outflows from investing activities** amounted to €-115,975k and were above the corresponding figure for the previous year (€-94,877k). Payments from the increase in surplus liquidity invested with United Internet AG amounted to €-60,552k, €21,425k higher than in the previous year. Investments in intangible assets and property, plant and equipment also increased by € 4,564k (September 2024: €-56,313k; September 2023: €-51,749 k) with investments in servers also increasing slightly (September 2024: €-40,636 k; September 2023: €-38,946 k).

At IONOS **free cash flow** is defined as net cash inflows from operating activities, less capital expenditure on intangible assets and property, plant, and equipment, plus cash inflows from disposals of intangible assets and property, plant, and equipment, including payments for lease liabilities. Free cash flow in September 2024 amounted to €219,143k, compared with €174,151k in September 2023, mainly due to the above-mentioned increase in net cash inflows from operating activities.

Cash outflows from **financing activities** include €100,000k from the repayment of the long-term loan from United Internet AG in September 2024 (September 2023: €60,000k). IONOS also acquired treasury shares, which resulted in a cash outflow of €22,319k. Interest payments on the loan from United Internet AG and the syndicated loan amounted to €-38,408k in September, which was €32,059k lower than in the prior-year period (September: €-70,467k). This effect mainly results from a delay in interest payments for the syndicated loan, which will not be paid until December, as well as the higher interest rate of the partially redeemed loan to United Internet AG.

**Cash and cash equivalents** amounted to €20,566k as of September 30, 2024, compared with €25,904k as of the previous year's reporting date.

## Asset position

At €1,656,590k, total assets are slightly higher than total assets as of December 31, 2023 (€1,596,265k).

### Development of current assets

in €k	September 30, 2024	December 31, 2023	Change
Cash and cash equivalents	20,566	22,652	-9.2%
Trade accounts receivable	87,952	73,512	19.6%
Receivables from related parties	125,263	63,094	98.5%
Contract assets	9,218	8,235	11.9%
Prepaid expenses	26,354	25,530	3.2%
Other financial assets	17,626	28,313	-37.7%
Income tax claims	8,068	2,722	196.4%
Other non-financial assets	3,315	727	355.9%
<b>Total current assets</b>	<b>298,361</b>	<b>224,785</b>	<b>32.7%</b>

The increase in **current assets** by €73,576k is mainly due to the increase of €62,169k in **receivables from related parties**. This item includes cash pool receivables, which increased by €60,552k as a result of the build up of surplus liquidity invested at United Internet AG. In addition, trade receivables were €14,440k higher than the respective balances at the end of the fiscal year. This is offset by a decline in other financial assets of €10,687k, which is mainly due to project grants received.

### Development of non-current assets

in €k	September 30, 2024	December 31, 2023	Change
Investments in associated companies	3,709	4,279	-13.3%
Other financial assets/Receivables from finance lease	3,358	3,612	-7.0%
Property, plant and equipment	312,229	321,661	-2.9%
Intangible assets	149,718	164,174	-8.8%
Goodwill	829,675	826,271	0.4%
Contract assets	23	9	159.6%
Prepaid expenses	22,879	13,628	67.9%
Deferred tax assets	36,639	37,846	-3.2%
<b>Total non-current assets</b>	<b>1,358,229</b>	<b>1,371,480</b>	<b>-1.0%</b>

Overall, **non-current assets** are slightly below the level at the end of the 2023 financial year. **Property, plant, equipment, and intangible assets** have decreased by €23,888k. Depreciation and amortization of €81,990k exceeded investments of €57,983k. **Goodwill** increased year-over-year due to exchange rate effects. **Deferred tax assets** were €1,207k below the previous year's level.

### Development of current liabilities

in €k	September 30, 2024	December 31, 2023	Change
Trade accounts payable	82,044	89,227	-8.1%
Liabilities to related parties	6,092	6,292	-3.2%
Liabilities due to banks	9,381	1,125	733.9%
Income tax liabilities	50,828	21,982	131.2%
Contract liabilities	94,498	84,645	11.6%
Other provisions	429	888	-51.6%
Other financial liabilities	87,979	67,947	29.5%
Other non-financial liabilities	32,924	26,009	26.6%
<b>Total current liabilities</b>	<b>364,175</b>	<b>298,115</b>	<b>22.2%</b>

Overall, **current liabilities** increased by €66,060k compared to the end of the 2023 financial year. **Other financial liabilities** increased by €20,032k, which is mainly due to the higher subsequent measurement of a purchase price liability in connection with the acquisition of STRATO AG. Current liabilities to banks increased by €8,256k due to deferred interest, and income tax liabilities increased by €28,846k due to higher tax expenses. The increase of €6,915k in other non-financial liabilities resulted from higher VAT, income, and church tax liabilities.

### Development of non-current liabilities

in €k	September 30, 2024	December 31, 2023	Change
Liabilities due to banks	797,358	796,462	0.1%
Liabilities to related parties	250,000	350,000	-28.6%
Deferred tax liabilities	34,487	33,652	2.5%
Contract liabilities	1,663	1,929	-13.8%
Other provisions	3,223	3,262	-1.2%
Other financial liabilities	107,052	115,626	-7.4%
<b>Total non-current liabilities</b>	<b>1,193,783</b>	<b>1,300,931</b>	<b>-8.2%</b>

The main reason for the decrease in **non-current liabilities** is the repayment of the vendor loan to Unit- ed Internet AG in the amount of €100,000k.

### Development of equity

in €k	September 30, 2024	December 31, 2023	Change
Issued capital	140,000	140,000	0.0%
Reserves	-12,892	-122,222	-89.5%
Treasury shares	-12,261	0	n/a
Currency translation adjustment	-16,358	-20,697	-21.0%
Equity attributable to shareholders of the parent company	98,489	-2,919	n/a
Non-controlling interests	142	138	2.6%
<b>Total equity</b>	<b>98,631</b>	<b>-2,781</b>	<b>n/a</b>

**Equity** in the Group increased from €-2,781k as of December 31, 2023, to €98,631k as of September 30, 2024. The increase is mainly due to the change in other reserves. In the first nine months, the addition of the consolidated net profit of €122,615k and the valuation and exercise of the employee participation programs of €-11,842k were the reasons for this change. The acquisition of Treasury shares had the opposite effect, which is to be recognized as equity.

IONOS Group SE did not hold any treasury shares as of the balance sheet date of December 31, 2023. On May 08, 2024, the Management Board of IONOS Group SE, with the approval of the Supervisory Board, initially resolved to acquire up to 850,000 treasury shares via the stock exchange based on the authorization granted by the Extraordinary General Meeting on January 26, 2023, to acquire treasury shares. This corresponds to approx. 0.6% of the share capital of €140,000k. The buy-back program is to be carried out from mid-May 2024 until 28 February 28, 2025, at the latest.

As part of the share buyback program announced on May 8, 2024, IONOS Group SE acquired a total of 850,000 treasury shares in the period from May 17 to July 25, 2024, thus completing the share buyback program. The purchase price excluding transaction costs amounted to €22,319k.

A total of 383,067 treasury shares were issued under the employee share ownership program valid through September 30, 2024.

**Net debt** (i.e., the balance of liabilities to related parties and banks, receivables from related parties, and cash and cash equivalents) decreased by €107,408k from €1,067,008k as of December 31, 2023, to €917,002k as of September 30, 2024.

### Multi-period overview: Development of key balance sheet items

in €k	December 31, 2021	December 31, 2022	December 31, 2023	December 30, 2024
Balance sheet total	1,471,668	1,541,505	1,596,265	1,656,590
Cash and cash equivalents	49,520	26,440	22,652	20,566
Trade accounts receivable	49,526	66,628	73,512	87,952
Property, plant and equipment	271,782	322,286	321,661	312,229
Intangible assets	201,437	178,826	164,174	149,718
Goodwill	825,261	820,844	826,271	829,675
Liabilities due to banks	0	0	797,587	806,739
Liabilities to related parties	1,315,000	1,245,000	350,000	250,000
Issued capital	360	360	140,000	140,000
Equity	-231,708	-162,180	-2,781	98,631
Equity ratio	-15.7%	-10.5%	-0.2%	6.0%

### Management Board's overall assessment of the business situation

In the first nine months of 2024, the core business of IONOS Group SE performed well. The number of customers increased by around 170,000 year-over-year to 6.30 million customers.

In the first nine months of 2024, revenues increased by 7.8% to €1,141,607k (September 2023: €1,058,709k). While the core business continued to develop as planned with an increase of 11.3%, the aftermarket business also recovered from the initial weaknesses in the first half of 2024 and achieved significant growth of 11.5% in the third quarter of 2024 compared to the same period of the previous year.

Adjusted EBITDA increased disproportionately by 9.2% to €334.5 million (9M 2023: €306.3 million), despite a temporary increase in marketing expenses compared to the previous year due to the large number of major sporting events taking place over the summer. Accordingly, the adjusted EBITDA margin increased to 29.3% (9M 2023: 28.9%).

Based on the positive developments in the first nine months, IONOS confirms the adjusted guidance for 2024 and 2025 issued in July. For the financial year 2024, the company continues to plan for constant currency revenue growth of approximately 9% (2023: €1.423 billion). The adjusted EBITDA margin is expected to be approximately 29% (2023: 27.4%), resulting in an adjusted EBITDA of approximately €450 million (2023: €390.3 million).

IONOS is planning percentage revenue growth of around 10% and a further increase in the adjusted EBITDA margin to around 30% in 2025.

Based on the revenue and earnings figures achieved in the first nine months of 2020 and considering the investments made in sustainable corporate development, the Management Board believes that the company remains very well positioned for its future development. Based on the forecasted continuation of overall economic growth in the core markets of IONOS, the ongoing digitalization and the increasing importance of artificial intelligence, as well as the stable business model based primarily on electronic subscriptions, the Management Board expects the positive development of the key financial and non-financial performance indicators to continue.

## Subsequent events

After the balance sheet date of September 30, 2020, there were no significant events at IONOS that could have had a material impact on the Group's financial position, net assets, and results of operations as reported in its financial statements.

## Risk and opportunity report

The IONOS Group's risk and opportunity policy is geared towards the goal of maintaining and sustainably increasing the value of the company by seizing opportunities and identifying and managing risks at an early stage. In doing so, risk and opportunity management regulate the responsible handling of uncertainties that are always associated with entrepreneurial activity.

### Overall statement by the Executive Board on the Group's risk and opportunity situation

The assessment of the overall risk situation is the result of a consolidated analysis of all significant risk areas and individual risks, considering their interdependencies.

The overall risk and opportunity situation remained largely stable in the first nine months of 2024 compared to the risk and opportunity report provided.

Compared to December 31, 2023, there was an increase in three risk areas and a reduction in the first nine months of 2024.

In the risk area "Sales market & competition", the rating increased to Significant. This takes account of the current economic slowdown in all sectors of the economy.

In the "Procurement market" area, a reduction was made from Significant to Moderate, as risks from possible price increases for services and licenses were reduced.

In the "Recruitment market" segment, there was a further increase from Moderate to Significant in the current quarter, as the tightening of the labor market for IT specialists is still ongoing.

The increase from low to moderate in the "Financing" risk area is due to the first-time recognition of the financial covenants risk in the first quarter of 2024 in connection with a syndicated loan. The probability of occurrence is assessed as very low.

During the reporting period and at the time this quarterly statement was prepared, there were no identifiable risks to IONOS as a going concern, either from individual risk positions or from the overall risk situation.

The IONOS Group counters these risks by continuously expanding its risk management and, where appropriate, minimizes them by implementing specific measures.

## Forecast Report

### Confirmation of the forecasts for the 2024 and 2025 financial years

On July 12, the company revised its original forecast as part of an adjustment to its revenue guidance for financial year 2024 and now expects to see revenue growth of around 9% at constant currency (previously: around 11%; 2023: €1.423 billion).

The adjusted EBITDA margin is expected to be around 29% in 2024 (previously around 28.5%; 2023: 27.4%), resulting in an unchanged adjusted EBITDA of around €450 million (2023: €390.3 million).

For 2025, the company is planning percentage sales growth of around 10% and a further increase in the adjusted EBITDA margin to around 30%.

#### **Forward-looking statements**

This quarterly statement contains forward looking statements that are based on the current expectations, assumptions, and forecasts of the Management Board of IONOS and the information currently available to it. The forward-looking statements are subject to various risks and uncertainties and are based on expectations, assumptions, and forecasts that may prove to be incorrect in the future. IONOS does not guarantee that the forward-looking statements will prove to be accurate, does not assume any obligation to update or revise the forward-looking statements made in this interim report, and does not intend to do so.

## **Notes to the Quarterly Statement**

#### **Company information**

The IONOS Group, with IONOS Group SE as its listed parent company (hereinafter referred to as "IONOS Group SE" or, together with its subsidiaries, "IONOS Group"), is the leading European Internet specialist in the hosting segment. The Group also develops applications for the use of the Internet. The IONOS Group is made up of various companies in Germany and abroad. In accordance with internal management reporting, there is a single operating segment.

IONOS Group SE has its registered office at 56410 Montabaur, Elgendorfer Straße 57, Germany, and is registered with the local court there under HRB 25386.

The shares of IONOS Group SE have been listed on the regulated market of the Frankfurt Stock Exchange since February 8, 2023. As of September 30, 2024, United Internet AG holds 63.8% and WP XII Venture Holdings II SCSp, Luxembourg / Luxembourg 16.2% of the shares in IONOS Group SE. A further 19.7% are in free float. In addition, the IONOS Group holds 0.3% of its own shares.

#### **Significant accounting, measurement, and consolidated principles**

The quarterly statement of IONOS Group SE as of September 30, 2024, like the consolidated financial statements as of December 31, 2023, was prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

The quarterly statement does not constitute an interim report as defined by IAS 34. The accounting policies applied to this quarterly statement are generally consistent with the methods applied in the previous year, with the exception of the newly mandatory standards, and should be read in the context of the consolidated financial statements as of December 31, 2023.

### Mandatory adoption of new accounting standards

The following standards must be applied for the first time in the EU for the financial year beginning on or after January 1, 2024:

Standard		Mandatory for fiscal years beginning on or after	Endorsed by EU Commission
IAS 1	Amendment: Clarification of the criteria for classifying liabilities as current or non-current and clarification in relation to non-current liabilities with covenants	January 1, 2024	Yes
IFRS 16	Amendment: Lease liabilities in the event of a sale and leaseback transaction.	January 1, 2024	Yes
IAS 7 / IFRS 17	Amendment: Disclosure of supplier financing agreements	January 1, 2024	Yes

The first-time application of the new accounting standards did not have any material impact on this quarterly statement.

### Use of estimates and assumptions

In preparing this quarterly statement, management makes judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities at the reporting date. However, the uncertainty associated with these assumptions and estimates could lead to results that may require material adjustments to the carrying amounts of the assets or liabilities affected in the future.

### Miscellaneous

This quarterly statement includes all significant subsidiaries and associated companies.

The scope of consolidation remained unchanged compared with the consolidated financial statements as of December 31, 2023.

This Interim Statement was not audited in accordance with §317 of the German Commercial Code (HGB) or reviewed by an auditor.



## INTERIM FINANCIAL STATEMENT AS OF SEPTEMBER 30 , 2024

Consolidated statement of financial position

Consolidated statement of comprehensive income

Consolidated cash flow statement

Consolidated statement of changes in equity

FINANCIAL CALENDAR / IMPRINT

IONOS Group SE, Montabaur

**Consolidated statement of financial position as of September 30, 2024 in €k**

	September 30, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	20,566	22,652
Trade accounts receivable	87,952	73,512
Receivables from related parties	125,263	63,094
Contract assets	9,218	8,235
Inventories	222	69
Prepaid expenses	26,354	25,530
Other financial assets	17,626	28,313
Other non financial assets	3,092	658
Income tax claims	8,068	2,722
	<b>298,361</b>	<b>224,785</b>
<b>Non-current assets</b>		
Investments in associated companies	3,709	4,279
Receivables from finance leases	2,596	2,851
Other financial assets	761	761
Property, plant and equipment	312,229	321,661
Intangible assets		
Other intangible assets	149,718	164,174
Goodwill	829,675	826,271
Contract assets	23	9
Prepaid expenses	22,879	13,628
Deferred tax assets	36,639	37,846
	<b>1,358,229</b>	<b>1,371,480</b>
<b>Total assets</b>	<b>1,656,590</b>	<b>1,596,265</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade accounts payable	82,044	89,227
Liabilities to related parties	6,092	6,292
Liabilities due to banks	9,381	1,125
Income tax liabilities	50,828	21,982
Contract liabilities	94,498	84,645
Other provisions	429	888
Other financial liabilities	87,979	67,947
Other non financial liabilities	32,924	26,009
	<b>364,175</b>	<b>298,115</b>
<b>Non-current liabilities</b>		
Liabilities due to banks	797,358	796,462
Liabilities to related parties	250,000	350,000
Deferred tax liabilities	34,487	33,652
Contract liabilities	1,663	1,929
Other provisions	3,223	3,262
Other financial liabilities	107,052	115,626
	<b>1,193,783</b>	<b>1,300,931</b>
<b>Total liabilities</b>	<b>1,557,959</b>	<b>1,599,046</b>

	September 30, 2024	December 31, 2023
<b>EQUITY</b>		
Issued capital	140,000	140,000
Reserves	-12,892	-122,222
<b>Treasury shares</b>	<b>-12,261</b>	<b>0</b>
<b>Currency translation adjustment</b>	<b>-16,358</b>	<b>-20,697</b>
Equity attributable to shareholders of the parent company	98,489	-2,919
Non-controlling interests	142	138
<b>Total equity</b>	<b>98,631</b>	<b>-2,781</b>
<b>Total liabilities and equity</b>	<b>1,656,590</b>	<b>1,596,265</b>

IONOS Group SE, Montabaur

**Consolidated statement of comprehensive income**  
for the period from January 1 to September 30, 2024 in €k

	2024 January - September	2023 January - September
Revenue from contracts with customers	1,107,535	1,025,485
Revenue from contracts with related parties	34,073	33,224
<b>Total revenue</b>	<b>1,141,607</b>	<b>1,058,709</b>
Cost of sales	-579,897	-552,442
<b>Gross profit</b>	<b>561,710</b>	<b>506,267</b>
Selling expenses	-239,607	-216,457
General and administrative expenses	-75,754	-68,667
Impairment losses on receivables and contract assets	-13,105	-9,085
Other operating income / expenses	5,081	12,816
<b>Operating result</b>	<b>238,325</b>	<b>224,873</b>
Financial result	-57,162	-34,774
Share of the profit or loss of associates accounted for using the equity method	-454	-50
<b>Pre-tax result</b>	<b>180,710</b>	<b>190,048</b>
Income taxes	-58,095	-39,784
<b>Net income</b>	<b>122,615</b>	<b>150,263</b>
thereof attributable to		
non-controlling interests	4	12
shareholders of IONOS Group SE	122,611	150,251
Result per share of shareholders of IONOS Group SE (in €)		
basic	0.88	1.07
diluted	0.87	1.07
Weighted average of outstanding shares (in thousand units)		
basic	139,533	140,000
diluted	141,704	140,000
<b>Reconciliation to total comprehensive income</b>		
<b>Net income</b>	<b>122,615</b>	<b>150,263</b>
Items that may be reclassified subsequently to profit or loss		
Currency translation adjustment - unrealized	4,339	4,084
<b>Other comprehensive income</b>	<b>4,339</b>	<b>4,084</b>
<b>Total comprehensive income</b>	<b>126,954</b>	<b>154,347</b>
thereof attributable to		
non-controlling interests	4	12
shareholders of IONOS Group SE	126,950	154,335

IONOS Group SE, Montabaur

**Consolidated cash flow statement**

for the period from January 1 to September 30, 2024 in €k

	2024 January - September	2023 January - September
Net income	122,615	150,263
<b>Adjustments to reconcile net income to net cash provided by operating activities</b>		
Depreciation and amortization of intangible assets and property, plant and equipment	66,547	65,168
Depreciation and amortization of assets resulting from business combinations	15,443	15,354
Employee expenses from share-based payment programs	4,593	4,120
Payments from share-based payment programs	-99	-13,630
Share of the profit or loss of associates accounted for using the equity method	454	50
Distributed profits of associated companies	116	156
Other non-cash items from changes in deferred tax position	1,767	-13,585
Income/Loss from the sale of intangible assets and property, plant and equipment	-59	-153
Non-cash change in purchase price derivative	11,773	-29,852
Interest expenses	47,561	66,108
<b>Operative cash flow</b>	<b>270,711</b>	<b>243,999</b>
Change in assets and liabilities		
Change in receivables and other assets	-11,964	-15,593
Change in inventories	-153	9
Change in contract assets	-997	392
Change in prepaid expenses	-10,075	-6,462
Change in trade accounts payable	-7,183	-8,614
Change in receivables from/liabilities to related parties	-1,818	-1,848
Change in other provisions	-507	-47
Change in income tax liabilities	28,847	3,277
Change in other liabilities	9,256	13,820
Change in contract liabilities	9,587	6,670
<b>Change in assets and liabilities, total</b>	<b>14,993</b>	<b>-8,396</b>
<b>Cash flow from operating activities</b>	<b>285,704</b>	<b>235,603</b>
<b>Cash flow from investing activities</b>		
Cash payments to acquire property, plant and equipment and intangibles	-56,313	-51,749
Cash receipts from sales of property, plant and equipment and intangibles	890	1,234
Settlement of contingent purchase price from acquisition of IONOS Cloud GmbH	0	-4,416
Payments for the acquisition/capital increase of associated companies	0	-763
Cash payments/receipts from the sale of other financial assets	0	-56
Payments within the framework of cash pooling	-60,552	-39,127
Payments related to other financial assets	0	0
<b>Cash flow from investing activities</b>	<b>-115,975</b>	<b>-94,877</b>

	2024 January - September	2023 January - September
<b>Cash flow from financing activities</b>		
Purchase of treasury stock	-22,319	0
Cash proceeds from loans	0	1
Repayment of loans	-100,000	-60,000
Redemption of lease liabilities	-11,138	-10,937
Payments for interest on loans	-38,408	-70,467
<b>Cash flow from financing activities</b>	<b>-171,865</b>	<b>-141,403</b>
<b>Net decrease in cash and cash equivalents</b>	<b>-2,135</b>	<b>-677</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>22,652</b>	<b>26,440</b>
<b>Currency translation adjustments of cash and cash equivalents</b>	<b>49</b>	<b>141</b>
<b>Cash and cash equivalents at end of period</b>	<b>20,566</b>	<b>25,904</b>

IONOS Group SE, Montabaur

**Consolidated statement of changes in equity**

for the period from January 1 to September 30, 2024 in €k

	Issued capital	Reserves	Treasury shares	Currency translation adjustment	Equity attributable to shareholders of the parent company	Non-controlling interests	Total equity <sup>1</sup>
	€k	€k	€k	€k	€k	€k	€k
<b>Balance as of January 1, 2023</b>	<b>360</b>	<b>-136,644</b>	<b>0</b>	<b>-26,019</b>	<b>-162,303</b>	<b>123</b>	<b>-162,180</b>
Net income	0	150,251	0	0	150,251	12	150,263
Other comprehensive income	0	0	0	4,084	4,084	0	4,084
<b>Total comprehensive income</b>	<b>0</b>	<b>150,251</b>	<b>0</b>	<b>4,084</b>	<b>154,335</b>	<b>12</b>	<b>154,347</b>
Capital increase from company funds	139,640	-139,640	0	0	0	0	0
Employee stock ownership program	0	-23,167	0	0	-23,167	0	-23,167
<b>Balance as of September 30, 2023</b>	<b>140,000</b>	<b>-149,200</b>	<b>0</b>	<b>-21,935</b>	<b>-31,135</b>	<b>135</b>	<b>-31,000</b>

## Interim Statement Q3 2024

<b>Balance as of January 1, 2024</b>	<b>140,000</b>	<b>-122,222</b>	<b>0</b>	<b>-20,697</b>	<b>-2,919</b>	<b>138</b>	<b>-2,781</b>
Net income	0	122,615	0	0	122,611	4	122,615
Other comprehensive income	0	0	0	4,339	4,339	0	4,339
<b>Total comprehensive income</b>	<b>0</b>	<b>122,615</b>	<b>0</b>	<b>4,339</b>	<b>126,950</b>	<b>4</b>	<b>126,954</b>
Purchase of treasury shares	0	0	-22,319	0	-22,319	0	-22,319
Issue and use of treasury shares	0	0	8,619	0	8,619	0	8,619
Issue of treasury shares as part of share-based payment programs	0	-1,439	1,439	0	0	0	0
Capital increase from company funds	0	0	0	0	0	0	0
Employee stock ownership program	0	-11,842	0	0	-11,842	0	-11,842
<b>Balance as of September 30, 2024</b>	<b>140,000</b>	<b>-12,888</b>	<b>-12,261</b>	<b>-16,358</b>	<b>98,489</b>	<b>142</b>	<b>98,631</b>



## FINANCIAL CALENDAR

<b>March 21, 2024</b>	Publication of Annual Financial Statements 2023
<b>May 08, 2024</b>	Quarterly Statement Q1 2024
<b>May 15, 2024</b>	Annual General Meeting 2024, Alte Oper / Frankfurt/Main
<b>August 08, 2024</b>	Half-Year Financial Report 2024
<b>November 12, 2024</b>	Quarterly Statement Q3 2024

## IMPRINT

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### **Note:**

Due to calculation processes, tables and references may produce rounding differences from the mathematically exact values (monetary unites, percentage statements, etc.).

This quarterly statement is available in German and English. Both versions are also available for download on the internet at [www.ionos-group.com](http://www.ionos-group.com). In case of doubt, the German version shall prevail.

For better readability, the masculine form is used for gender-specific terms in this half-year statement. IONOS would like to point out that the use of the masculine form is to be understood as explicitly gender independent.

Produced in-house with Firesys

**Disclaimer**

This Interim Statement contains forward-looking statements which reflect the current views of IONOS Group SE's management with regard to future events. These forward-looking statements are based on our currently valid plans, estimates and expectations. Forward-looking statements are only based on those facts valid at the time when the statements were made. Such statements are subject to certain risks and uncertainties and other factors, many of which are beyond IONOS' control, that could cause actual results to differ materially from those expressed in the forward-looking statements. Such risks, uncertainties and other factors are described in detail in the Risk Report section of the Annual Reports of IONOS Group SE. The IONOS Group SE does not intend to revise or update such forward looking statements.

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