FY 2022 Results & Outlook 2023

WEBCAST PRESENTATION | 30 March 2023

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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 anyad-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 cash flow. Information on the use, definition and calculation of these performance measures is provided in the Annual Consolidated Financial Statements 2022 of IONOS Group SE or is explained in an associated footnote.

IONOS

Agenda

Achim Weiss

CEO

Britta Schmidt

CFO

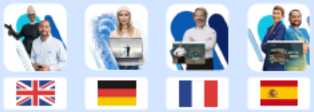
- Business Update
- Financial Update
- Projects & milestones
- Outlook
- Q&A

IONOS

Completion the Initial Public Offering to accelerate growth trajectory and strengthen our brand

- Successful listing in February 2023 on the Frankfurt Stock Exchange despite challenging market environment
- Secondary offering of 21m shares with a total deal size of €389mm
- 140m total shares outstanding post IPO with 15% free float
- Major shareholders: United Internet AG (63.8%) and Warburg Pincus LLC via WP XII Venture Holdings II SCSp (21.2%)

The Leading European SMB digitalization partner & trusted Cloud enabler



Leading brand position boosted further through €54mm brand investments in 2022

Leveraging a world class brand across our core markets

~€1.3bn total revenue[1] 2022

Web Presence & Productivity

~€130mm
Cloud Solutions revenue

Complemented by a self-sustaining Cloud business, growing at ~20%

- Significant investments in past years
- EBITDA reinvested into growth to capture unique market opportunity[2]

~€250mm
Aftermarket business revenue[3]

Augmented by our high growth aftermarket business

- European market leader[2]
- ~22mm Domains listed and 10mm domains parked

~€870mm
Web Presence & Productivity excl. Aftermarket revenue

Leading Web Presence & Productivity player

- #1 / #2 Market positions in 6 core European markets
- €100mm+ revenue in North America
- Exceptional EBITDA margins and cash conversion rates paired with strong growth

Note: High-level figures rounded
[1] Total revenue including ~€50mm revenue from Hosting Services to UI Group companies; ; [2] Company Data Analysis based on the number of domains listed for sale on sedo.com; [3] Refers to revenue from sedo;

FY 2022 delivered strong and sustainable growth, profitability and cash generation

Leading partner for digitalization, active in 18 markets across Europe and North America, accessible worldwide

Europe overall [1]

€1.3bn total revenue (17% yoy growth)
High revenue visibility and predictability

~80% recurring revenue[2]
Subscription-based business model

€346mm adj. EBITDA[3] (27% margin)
Attractive profitability

~90% cash conversion rate[4]
Highly cash generative

~6mm customers
Unparalleled European SMB customer access

NPS® of >34[5]
High customer loyalty

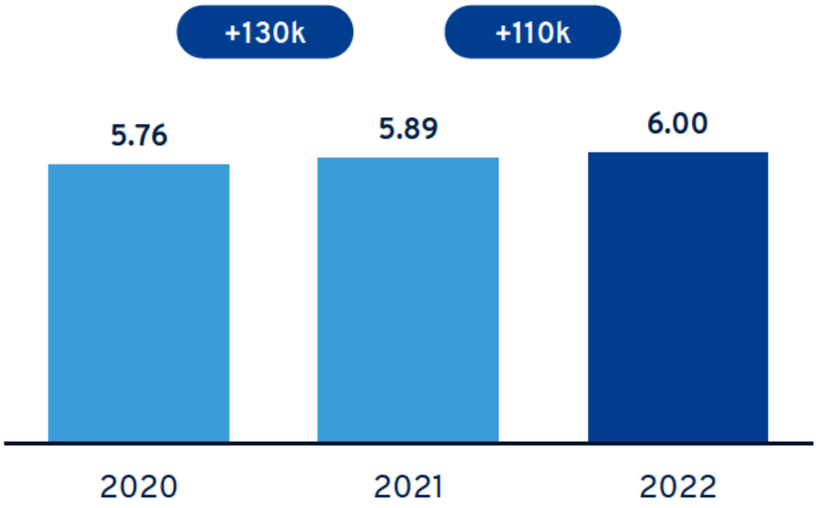
11x+ CLTV/CAC[6]
Targeted and efficient customer acquisition

~12-18 months payback[7]
Quick and predictable recovery of CAC

[1] Refers to webhosting market share based on company data analysis and HostAdvice; [2] Equivalent to total revenue excl. revenue from Aftermarket business (sedo); [3] FY2022, Adj. EBITDA is defined as the Group's EBITDA adjusted for either non-recurring items or non-operating items. [4] Defined 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; [5] NPS as per Q4 2022. Net Promoter® and NPS® are registered trademarks of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld. Net Promoter Score℠ is a service mark of Bain & Company, Satmetrix Systems and Fred Reichheld. [6] Refers 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; [7] incl. discounts.

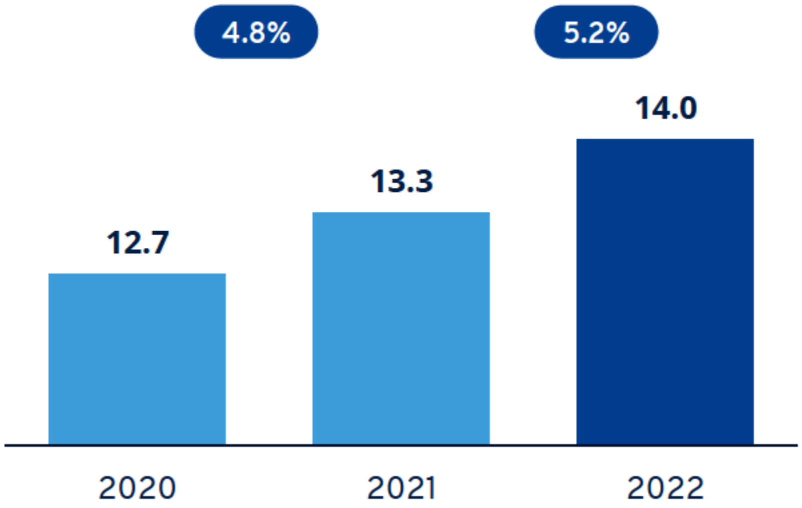
Growing customer base and ARPU expansion underpinning our predictable growth

Number of customers (000's)[1]



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

Monthly ARPU (€)[1]



ARPU growth through successful up-and cross selling

[1] Refers to IONOS Group excluding Aftermarket

In a consolidating market, a strong brand will be the winner in the long run

Launch: September 2021

Launch: May 2022

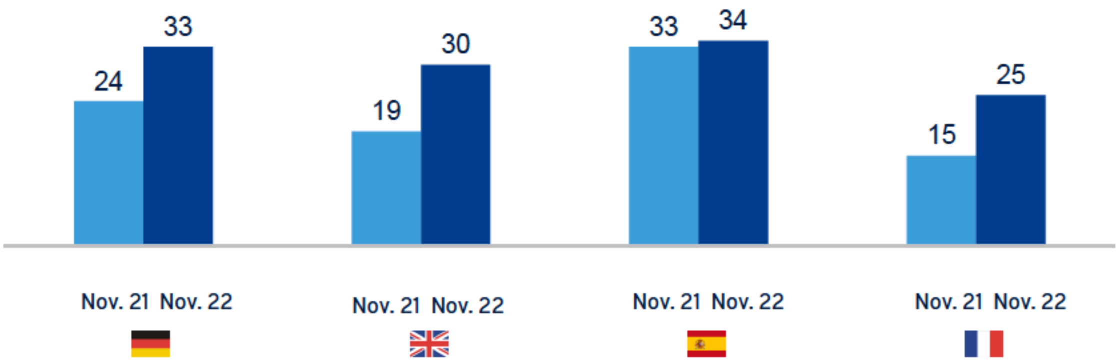
Launch: September 2022

Launch: September 2022

- Building an "evergreen brand" that is synonymous for Web Presence & Productivity and Cloud Solutions
- Increase in search demand
- Increase in target audience brand awareness
- Building strong employer brand
- Increase in CLTV and a reduction in CAC
- Increase in NPS

Brand investments already start to pay off

Brand awareness[1]

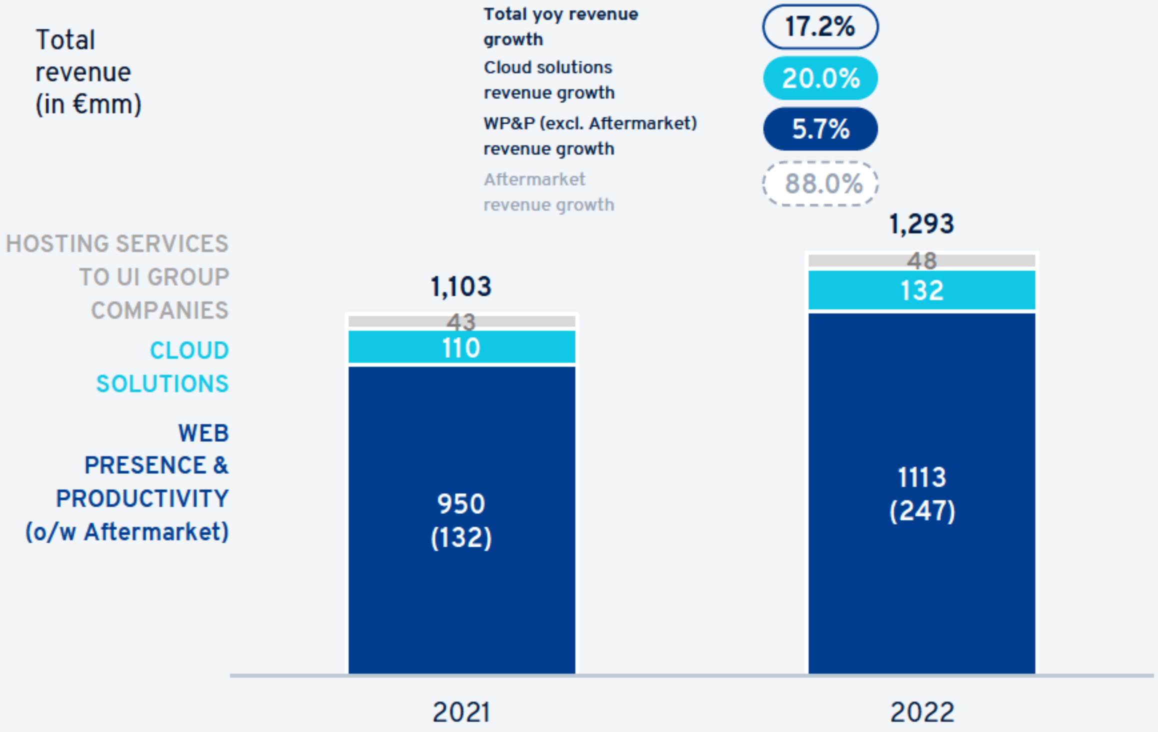


Commentary

- Incremental marketing investments of €31mm in FY 2022, as planned – mainly for brand marketing
- Brand investments totalling €54mm in FY 2022
- Brand investments in FY 2023E of €65-70mm expected; decreasing as % of total revenue going forward
- Brand investments are already contributing to aided and unaided brand awareness
- Positive impact on all sales channels
- Investments will continue to crystalize value in the coming years

[1] Brand Awareness (aided) for the IONOS brand, based on Interrogare survey

All business areas contributing to strong and sustainable revenue growth in FY 2022



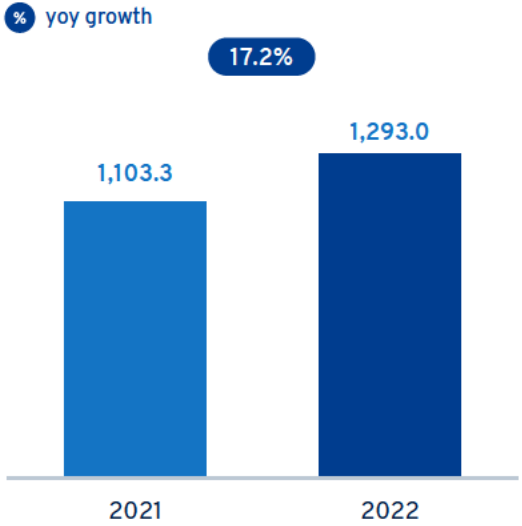
Commentary

- **Web Presence & Productivity** with strong growth of 17.1% yoy (5.7% yoy excl. Aftermarket)
- **Cloud Solutions** growing 20.0% yoy
- FX contributing 2.9pp to total revenue growth or 1.5pp excl. Aftermarket
- We have reached our FY 2022 guidance at IPO (15 – 18% yoy growth)

Attractive profitability despite investments into further growth

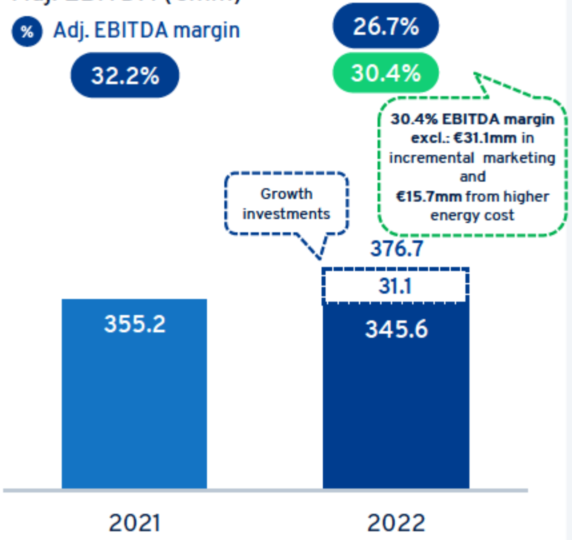
Strong revenue growth

Total revenue (€mm)



Attractive profitability

Adj. EBITDA (€mm)



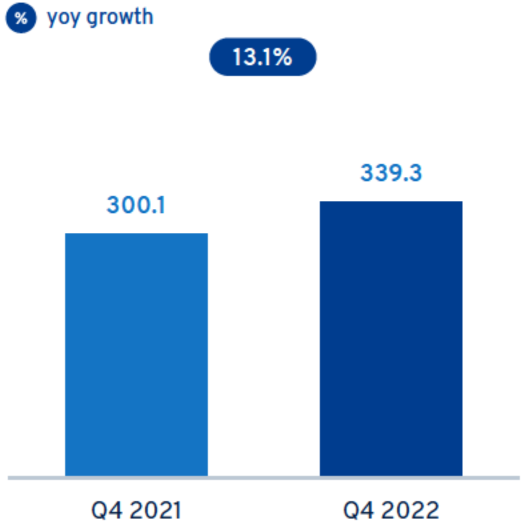
Commentary

- Strong revenue growth of 17.2% yoy (revenue growth excl. Aftermarket at 7.6% yoy)
- EBITDA margin of 26.7% in FY 2022, driven by growth investments of €31.1mm, as planned, mainly for brand marketing
- Impact from higher energy cost of €15.7mm
- 30.4% EBITDA margin excluding incremental marketing and impact from higher energy cost (+ 1-2pp margin dilution from Aftermarket growth in FY 2022)

Brand investments peaking in Q4 2022

Strong revenue growth

Total revenue (€mm)



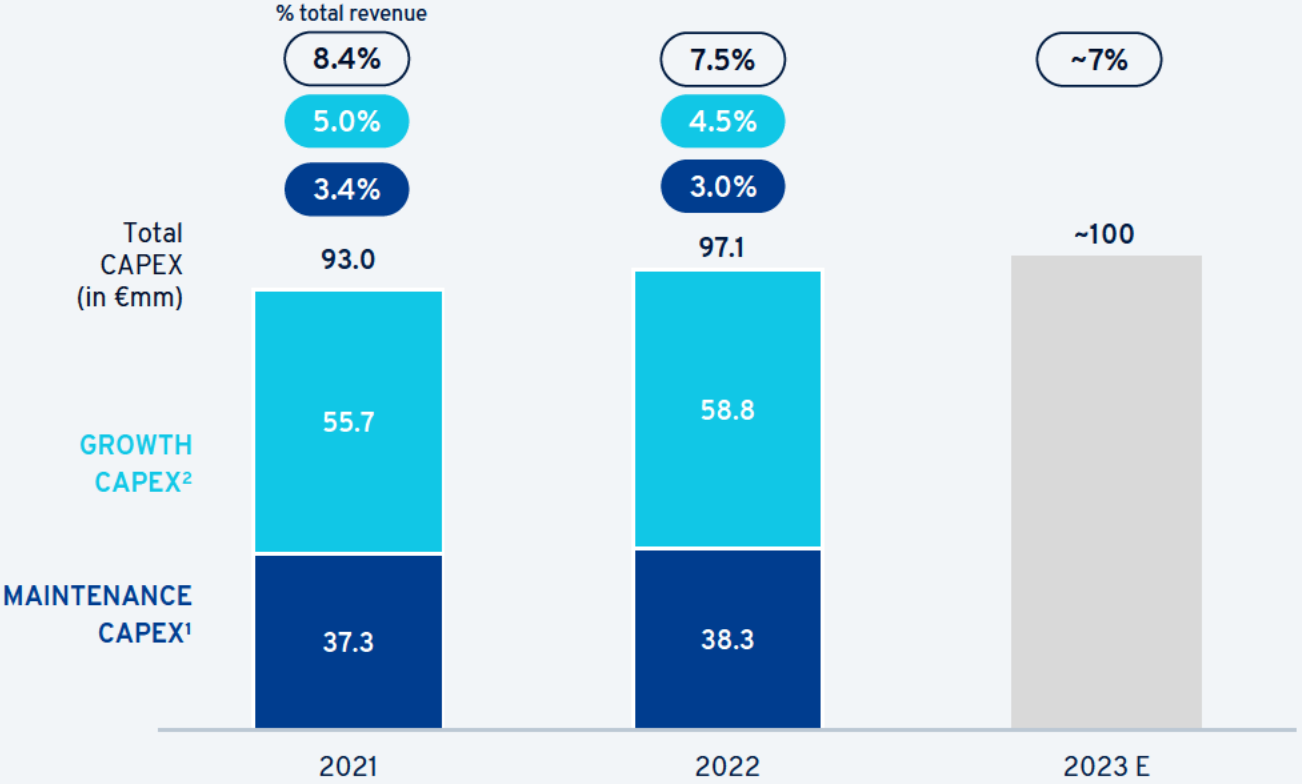
Attractive profitability

Adj. EBITDA (€mm)

Commentary

- Revenue growth of 13.1% yoy (revenue growth excl. Aftermarket at 6.1% yoy)
- Majority of the brand investments were spent in Q4 2022, as most of the brand campaigns were focussing on Q4 2022 resulting in a lower EBITDA margin, according to plan
- 26.9% EBITDA margin excluding incremental brand marketing and higher energy prices (+ 1-2pp margin dilution from Aftermarket growth in FY 2022)

Well-invested asset base with low and predictable maintenance capex requirements



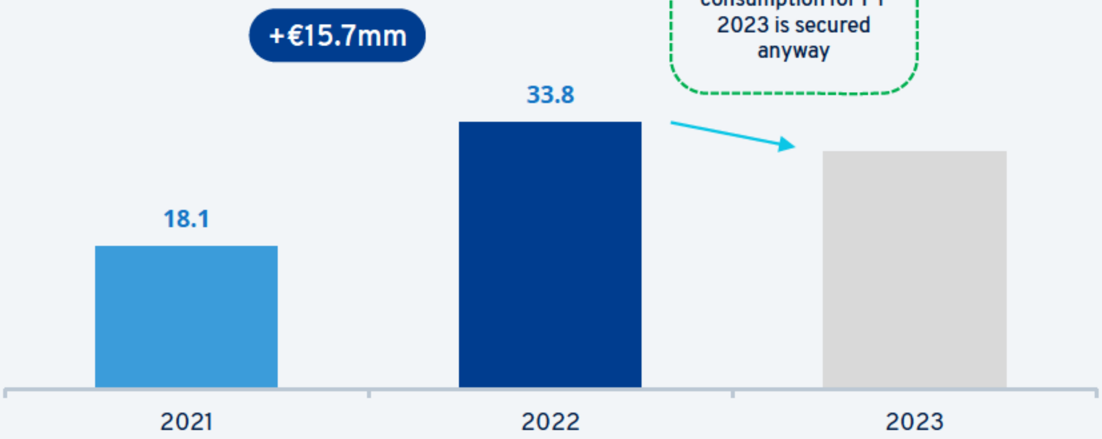
Commentary

- Total Capex as % of total revenue already down from 8.4% in FY 2021 to 7.5% in FY 2022
- Low and predictable maintenance capex requirements
- Majority of growth capex is related to Cloud Solutions
- Expected CAPEX for FY 2023E: ~€100mm (CAPEX/total revenue decreasing to ~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

Energy costs increased in FY 2022– but are well covered for FY2023

Net impact from energy costs
(in €mm)

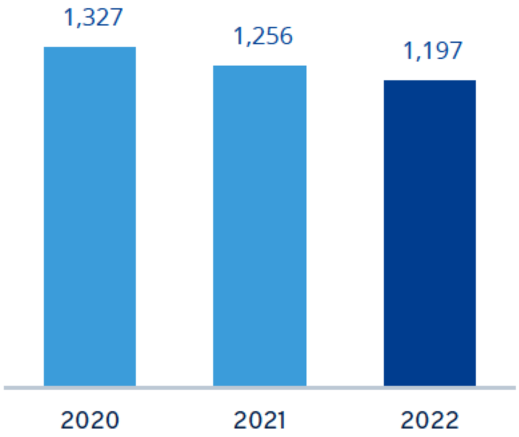


Commentary

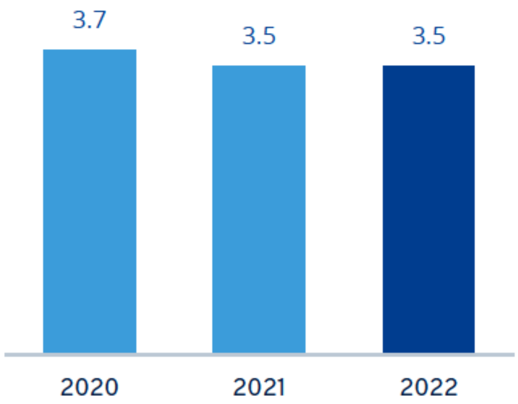
- Energy costs have increased significantly in FY2022
- We have already secured ~80% of our expected energy consumption for FY2023
- Against the backdrop of declining energy prices, we expect slightly lower energy costs in FY2023 compared to FY2022

Debt at fixed interest rates without refinancing risk

Net Debt[1] (in €mm)



Leverage[2] (Net debt/Adj. EBITDA)



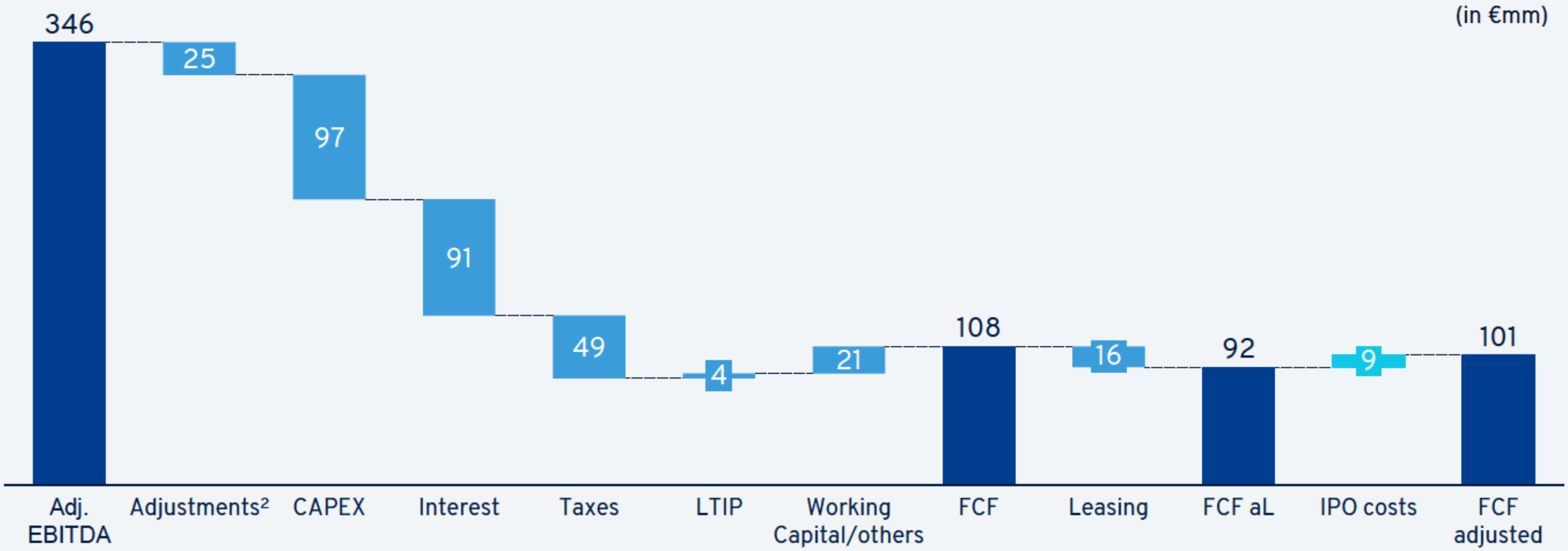
Commentary

- **Net debt of €1,197mm[1]** as of December 2022, comprising mainly a **shareholder loan from United Internet AG**
- **Fixed interest rate of 6.75%, without covenants** and maturity on December 15, 2026
- **Leverage[2]** of **3.5x** as of December 2022

[1] Gross Debt is the sum of non-current liabilities to related parties (31.12.2022: €1,245mm) and current liabilities to related parties (31.12.2022: €7mm), less receivables from related parties (31.12.2022: €28mm), less cash and cash equivalents (31.12.2022: €26mm)
[2] Calculated as Net Debt / Adj. EBITDA

Strong Free Cash Flow generation

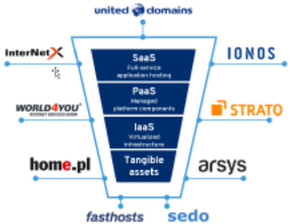
FY 2022 Adj. EBITDA to (adjusted) Free Cash Flow[1](FCF) bridge **(in €mm)**



[1] 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. IPO costs, LTIP, stand-alone costs)

Our major projects and milestones

Further expansion of our Internet Factory



Cloud: IaaS has nearly all features in place, focus on PaaS

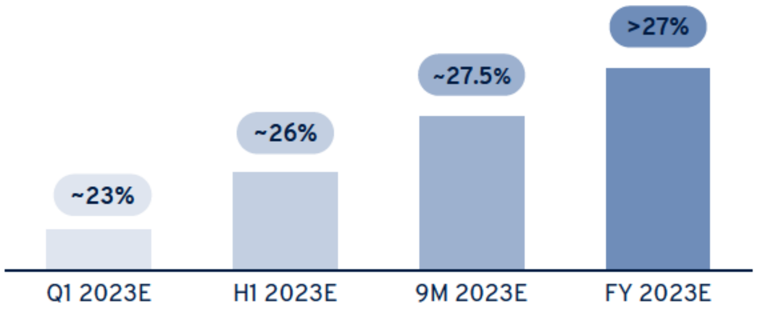
Continous focus on our successful Wordpress strategy

Release of AI features through the whole product suite

Our outlook for FY 2023[1]

	FY 2023E
Total revenue growth	**~10%**
Web Presence & Productivity	8 – 10%
Cloud Solutions	16 – 20 %
Adj. EBITDA margin	**>27%**
Leverage EoY (Net debt/Adj. EBITDA)	<3.0x

Expected development adj. EBITDA margin



Commentary

- Expectations for FY 2023 are fully in-line with our previous guidance
- Adj. EBITDA margin in Q1 2023 will be slightly lower due to phasing of the brand investments
- Mid-term outlook unchanged

[1] Outlook is based on constant currency

Summary & conclusion

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 expected to peak in FY 2023 and to 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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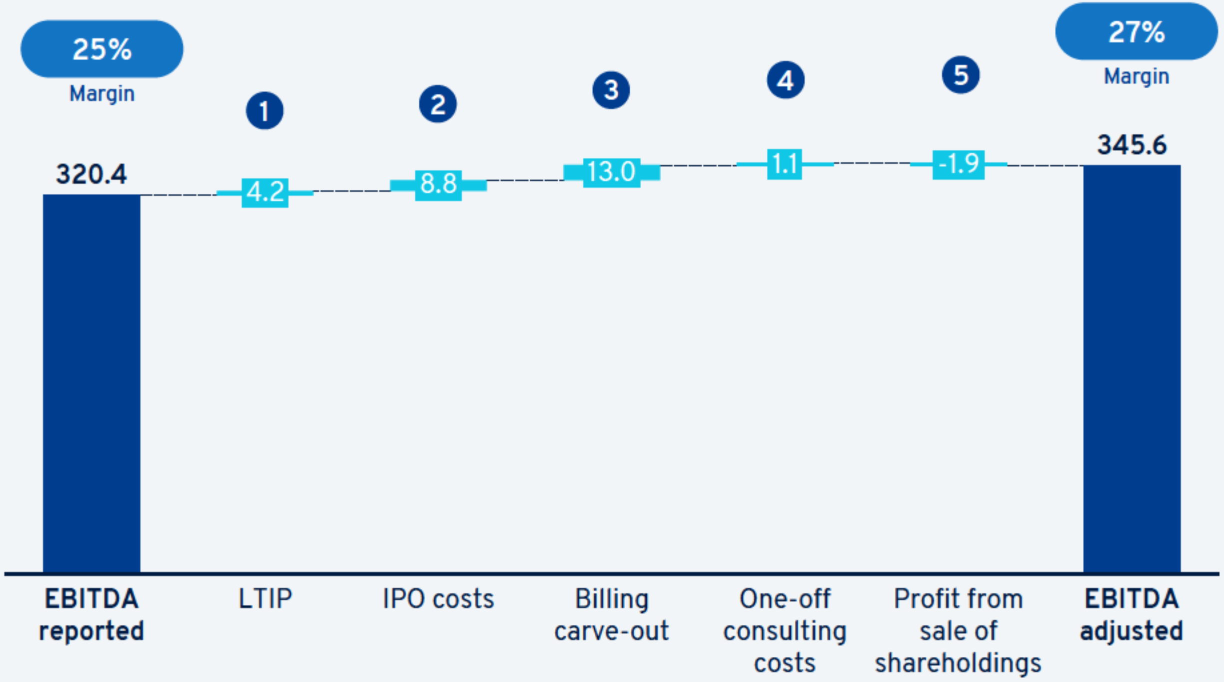
Appendix

Financial Overview

	2021	2022	Change yoy
Revenue	1,103	1,293	+17.2%
Adjusted EBITDA	355.2	345.6	-2.7%
EBIT	213.7	208.0	-2.7%
EBT	98.1	112.0	+14.2%
EPS in €/share (based on a share count of 360,000 at 31.12.2022)	169.2	204.9	+21.1%
EPS in €/share (pro-forma, based on the new share count of 140mm as of today)	0.44	0.53	+21.1%
Net debt	1,256	1,197	-4.7%

EBITDA to adj. EBITDA bridge

2022 EBTIDA, adjustments and adj. EBITDA (in €mm)



Commentary

1. Employee stock ownership program
2. Costs incurred in connection with the IPO – costs will be charged to the selling shareholders in H1 2023
3. Costs of preparing the carve-out from United Internet Group and the establishment of IONOS Group SE as an independent group (primarily costs of the separation of the Group's billing system)
4. Consulting fees incurred in connection with one-off projects, such as reorganization measures
5. Accounting profit from the deconsolidation of a minority interest

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Mid-term Outlook (1/2)

		2022A	2023E	Mid-term target (4-5 years)	Commentary

Total Revenue	Group	€1,293mm (17.2% yoy) 7.6% excl. Aftermarket	~10% yoy	~10% CAGR	**Mid-term**: We expect to grow at ~10% CAGR, driven by
					• **WP&P (incl. Aftermarket): High single digit CAGR**
					  • Continued strength in cross-selling and up-selling
					  • Brand marketing to cement the leadership of our brands
					  • Selective geographical expansion
					  • Aftermarket business growth gradually normalising to be in-line with the rest of WP&P business
					• **Cloud Solutions: ~20% CAGR**
					  • Growth acceleration driven by investments in the past years

	WP&P (incl. Aftermarket)	€1,113mm (17.1% yoy)	8 – 10% yoy	High single digit CAGR	
	Cloud Solutions	€132mm (20.0% yoy)	16 – 20% yoy	~20% CAGR	
	Hosting Services to UI Group companies	~€50m		Mid single digit CAGR	
Adjusted EBITDA margin	Group	26.7%	>27%	Increasing to 30%+	**Mid-term**: We expect to progressively exceed 30% Adj. EBITDA margin, driven by multiple levers becoming effective from 2023 onwards • Operating leverage and efficiency initiatives (e.g. internet factory) • Increasing economies of scale at Cloud Solutions • Brand investments in 2023 of €65-70mm; decreasing as % of total revenue going forward • Normalising growth in Aftermarket business, which has lower margins

Note: FY2023 and onwards on a constant currency basis

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Mid-term Outlook (2/2)

		2022A	2023E	Mid-term target (4-5 years)	Commentary
CAPEX	Main-tenance	€38.3mm	~€100mm	~8% CAGR	**Mid-term**: Total revenue outgrowing maintenance capex growth, driven by the mix effect of lower capital-intensive Aftermarket business
	Growth	€58.8mm		Decreasing to ~4% of total revenue	**Mid-term**: We expect to trend down to ~4% of total revenue, driven by continued efficiencies on our server economics
D&A	Group	€112mm	~100% of total CAPEX		
Effective tax rate	Group	33.6% of EBT		Decreasing to ~30% of EBT	**Mid-term**: We expect effective tax rate to go down as % of EBT due to deleveraging of our capital structure
Cash flow from operating activities	Group	55% of adj. EBITDA		Increasing to ~65%+ of adj. EBITDA	**Mid-term**: Driven by increasing adj. EBITDA margin
Capital structure	Group	3.5x	<3.0x by end of 2023 ~2.5x by end of 2024		Shareholder loan at fixed interest rate of 6.75% p.a., maturity on December 15, 2026, and without covenants We intend to continue to focus on deleveraging via debt repayments
Environmental ambitions	Group	Power Usage Effectiveness (PUE) of 1.35 by 2024, down from 1.41 as of 2021[1] Energy optimisation for all IT components included in the Energy Management System (ISO 50001) by 2024			

Note: 2022 on a reported basis, 2023 and onwards on a constant currency basis; [1] Power usage effectiveness (PUE): Defined as total energy consumption per data center, divided by IT energy consumption per data center, calculated as averages of data centers, lower values indicate higher effectiveness

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Key financials (1/3)

Management reporting, in (€mm)	FY19	FY20	FY21	FY22
Total Revenue	**924**	**988**	**1,103**	**1,293**
% revenue growth	*n.a.*	*7.0%*	*11.6%*	*17.2%*
Cost of sales (excl. T&D and D&A)	230	260	306	449
Adj. gross profit	**694**	**728**	**797**	**844**
% gross profit margin	*75.1%*	*73.6%*	*72.3%*	*65.3%*
S&M (excl. D&A)	200	206	236	270
G&A (excl. D&A)	62	64	71	82
T&D	113	119	153	169
Other expenses (income)[1]	(20)	(1)	12	3
D&A	117	111	113	112
Operating result	**222**	**229**	**214**	**208**
% operating result margin	*24.0%*	*23.2%*	*19.4%*	*16.1%*
D&A	117	111	113	112
Write-up[2]	(19)			
EBITDA	**319**	**340**	**326**	**320**
% EBITDA margin	*34.6%*	*34.4%*	*29.6%*	*24.8%*
Adjustments	10	15	29	25
Adj. EBITDA	**330**	**355**	**355**	**346**
% Adj. EBITDA margin	*35.7%*	*35.9%*	*32.2%*	*26.7%*

[1] Other expenses (income) includes impairment losses on receivables and contract assets, other operating expenses and other operating income; [2] Refers to write –up in STRATO brand

Key financials (2/3)

In (€mm)	FY19	FY20	FY21	FY22
Total Revenue	**924**	**988**	**1,103**	**1,293**
% revenue growth	*n.a.*	*7.0%*	*11.6%*	*17.2%*
Adj. EBITDA	**330**	**355**	**355**	**346**
% Adj. EBITDA margin	*35.7%*	*35.9%*	*32.2%*	*26.7%*
Maintenance Capex (excl. IFRS 16)	**(47)**	**(45)**	**(37)**	**(38)**
% of total revenue	5.1%	4.5%	3.4%	*3.0%*
Adj. cash contribution	**283**	**310**	**318**	**307**
% cash conversion rate	*85.8%*	*87.4%*	*89.5%*	*88.9%*

Comprehensive product portfolio, first class customer care and infrastructure

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Strong customer support organisation
(Personal Service Agent & 24/7 multi-channel support)

WEB PRESENCE & PRODUCTIVITY

One-stop-shop for all digitalization needs of SMBs

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Domains | E-mail & Office | Web Hosting & Sitebuilder | E-commerce | Server Hosting | Value Added Services

SMBs typically spending €10-20 per month

FY22 revenue: ~90%[1]

CLOUD SOLUTIONS

Trusted European Cloud provider for SMBs and enterprises

Public Cloud | Private Cloud | Bare Metal Cloud | Managed Services

SMBs, mid-market & public sector, typically spending €300-500+ per month

FY22 revenue: ~10%[1]

Internet factory

Unified product platforms | Joint group developments | Technology stack with >100,000 servers in 32 data centers[2]

- ✓ Broad portfolio
- ✓ Open-source
- ✓ Future-oriented design
- ✓ State-of-the-art
- ✓ Scalable

Source: Company information

[1] Refers to revenue from contracts with customers; [2] o/w 11 fully owned and 21 co-location data centers, several of them geo-redundant