

IONOS

The IONOS logo is rendered in a bold, white, sans-serif font. The letter 'O' is unique, featuring a vertical line through its center. The background of the slide is a dark blue gradient with abstract, glowing light trails and bokeh effects in shades of blue, cyan, and white.

Q1 2023 Results

WEBCAST PRESENTATION | 10 May 2023

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Certain information set forth in this presentation contains “forward-looking information”, including “future-oriented financial information” and “financial outlook”, under applicable securities laws (collectively referred to herein as forward-looking statements). Except for statements of historical fact, the information contained herein constitutes forward-looking statements and includes, but is not limited to, the (i) projected financial performance of the Company; (ii) the expected development of the Company’s business, projects, and participations; (iii) execution of the Company’s vision and growth strategy; (iv) completion of the Company’s projects that are currently underway, in development or otherwise under consideration; (v) renewal of the Company’s current supplier and other material agreements; and (vi) future liquidity, working capital, and capital requirements; (vii) currency exchange rates, most notably the EUR/USD exchange rates; (viii) changes in laws and regulations, including tax regulations; (ix) the impact of acquisitions including and related integration issues and reorganization measures, and (x) the general competitive conditions that, in each individual case, apply at a local, regional, national, and/or global level.

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 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.

Agenda

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

The Leading European SMB digitalization partner & trusted Cloud enabler



FY 2022 figures

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 revenue²

Subscription-based business model

€346mm adj. EBITDA³ (27% margin)

Attractive profitability

~90% cash conversion rate⁴

Highly cash generative

>6mm customers

Unparalleled European SMB customer access

NPS[®] of >34⁵

High customer loyalty

11x+ CLTV/CAC⁶

Targeted and efficient customer acquisition

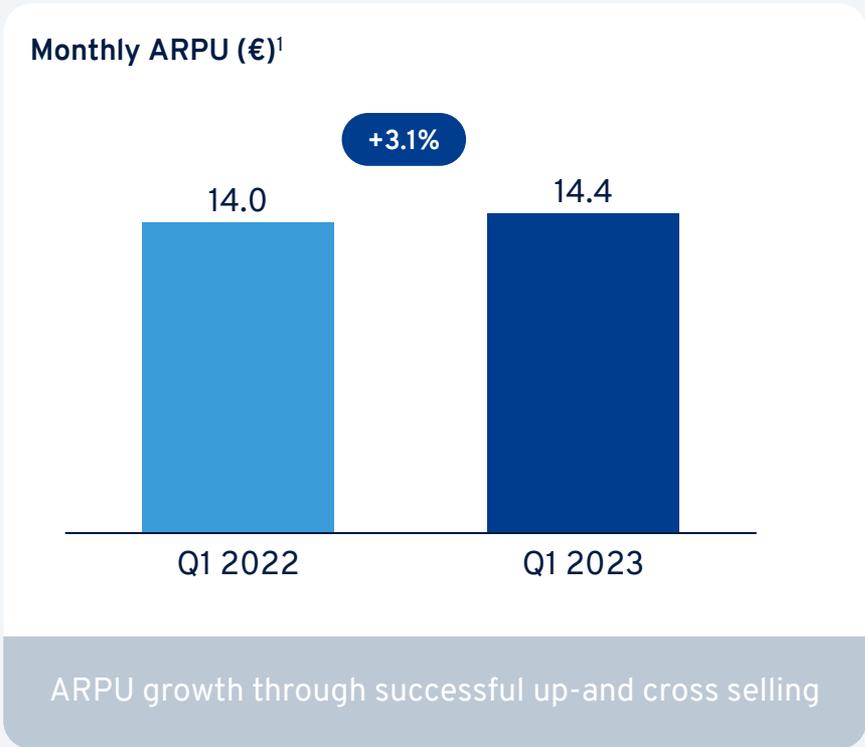
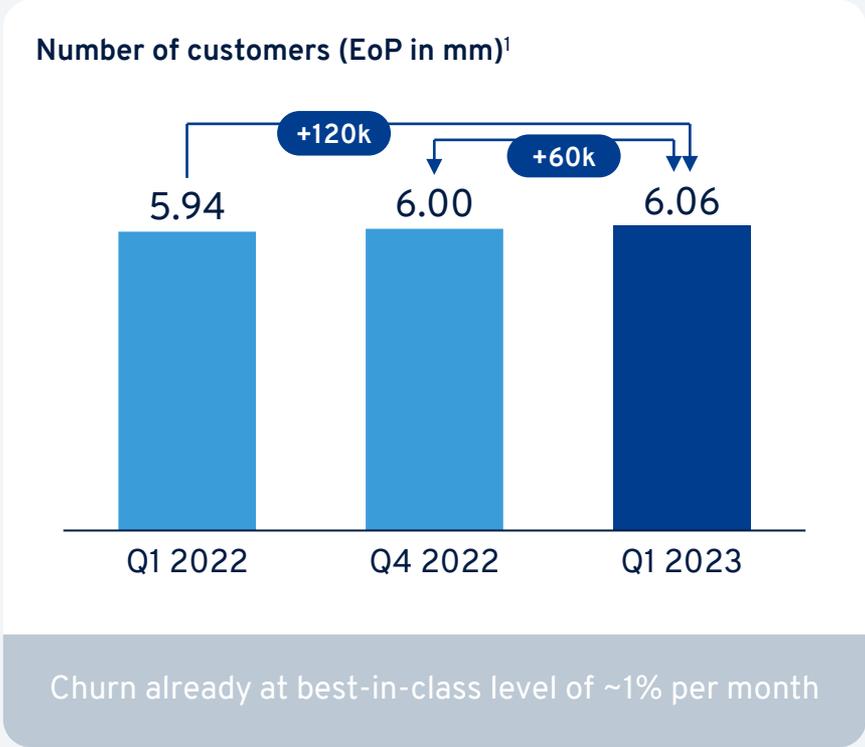
~12-18 months payback⁷

Quick and predictable recovery of CAC

Based on FY 2022 figures

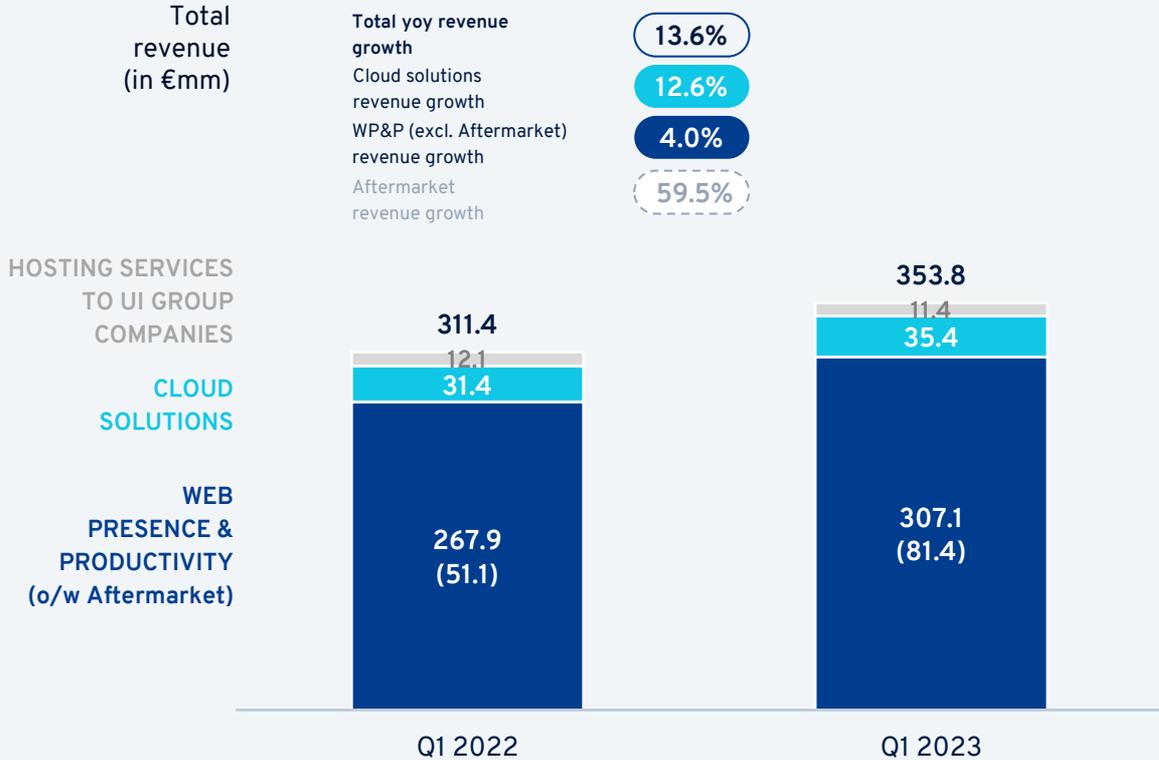
¹ Refers to webhosting market share based on company data analysis and HostAdvice; ² Equivalent to total revenue excl. revenue from Aftermarket business (sedo); ³ FY2022, Adj. EBITDA is defined as the Group's EBITDA adjusted for either non-recurring items or non-operating items. ⁴ Defined as adj. EBITDA 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 ScoreSM 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



¹ Refers to IONOS Group excluding Aftermarket

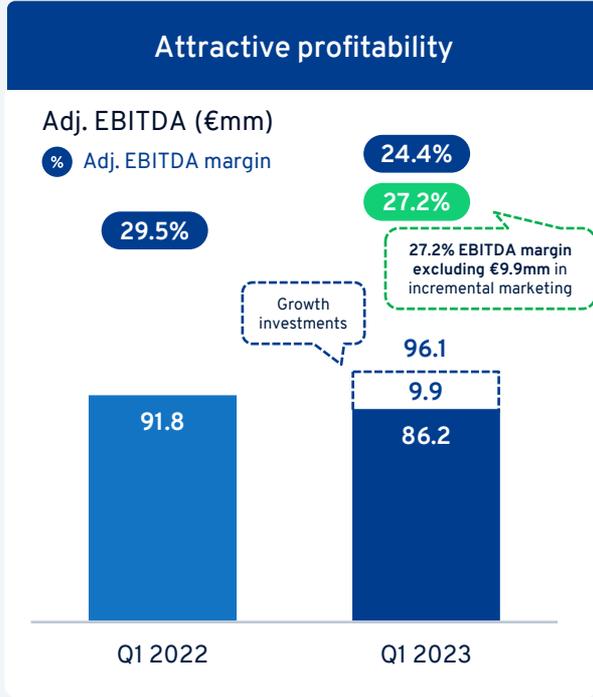
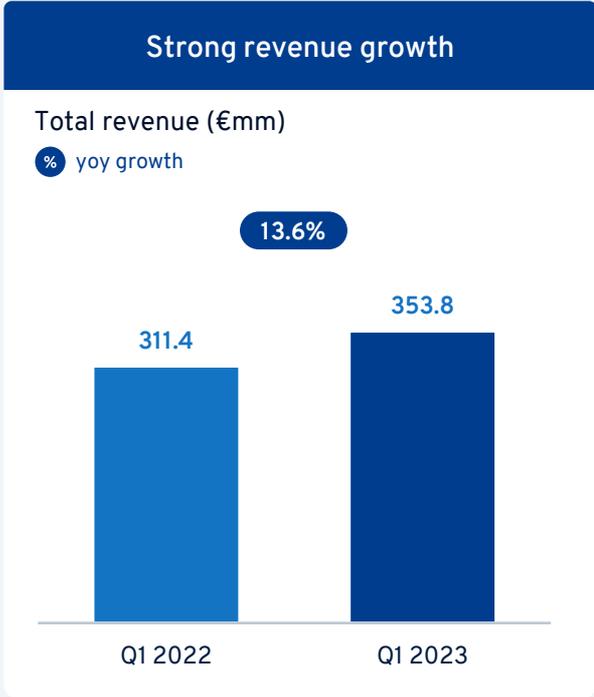
All business areas contributing to strong and sustainable revenue growth



Commentary

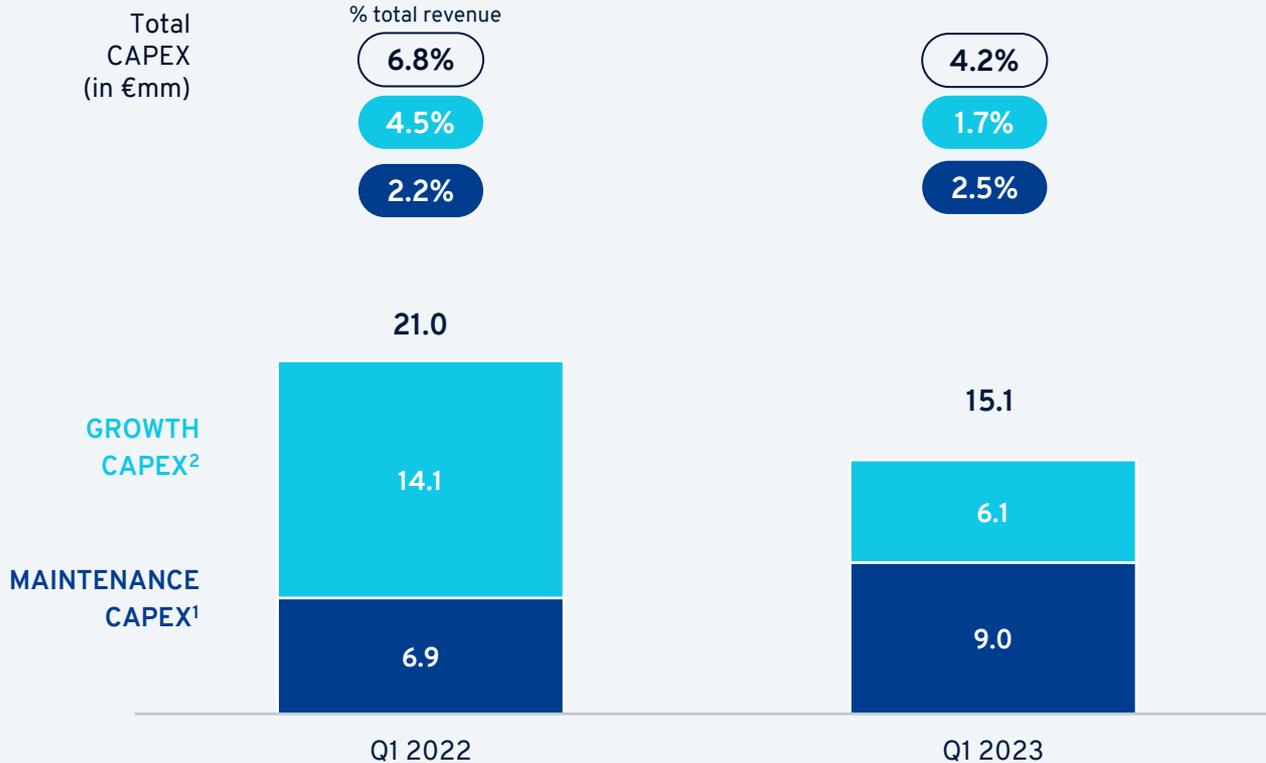
- **Web Presence & Productivity** with strong growth of 14.6% yoy (4.0% yoy excl. Aftermarket or 4.3% yoy excl. Aftermarket at constant currency)
- **Cloud Solutions** growing 12.6% yoy (17.0% yoy excl. initial project with one large customer in H1 2022)
- FX contributing 0.5pp to total revenue growth or -0.3pp excl. Aftermarket

Strong start into 2023



- ### Commentary
- Revenue growth of 13.6% yoy (revenue growth excl. Aftermarket at 4.6% yoy)
 - Total brand investments of €24mm in Q1 2023 (FY 2023E: ~€65-70mm; decreasing as % of total revenue going forward)
 - Brand investments usually peaking in Q1 and especially Q4 with lower spending levels during summer, shifting focus towards performance marketing
 - 27.2% EBITDA margin excluding incremental marketing investments
 - Approx. 1pp margin dilution from Aftermarket growth

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



Commentary

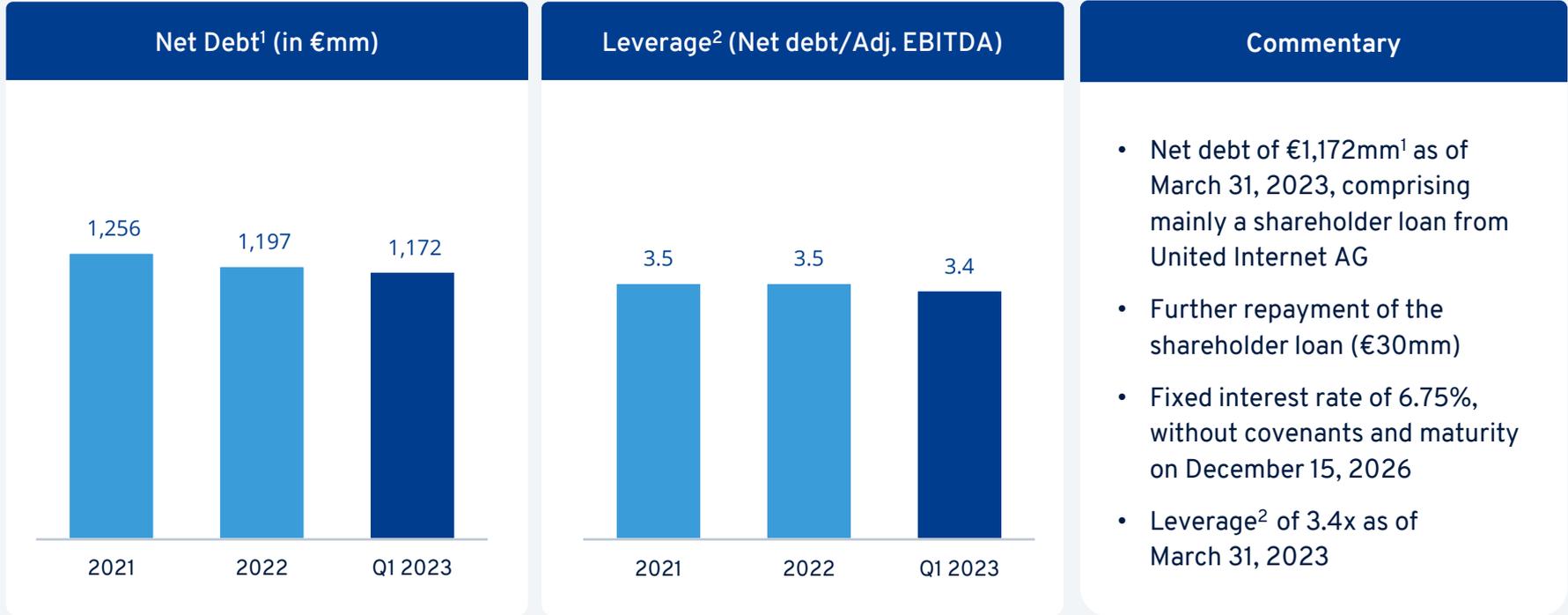
- Total Capex as % of total revenue decreased to 4.2% (prev. year: 6.8%; FY 2022: 7.5%)
- Low and predictable maintenance capex requirements
- Majority of growth capex is related to Cloud Solutions
- Expected CAPEX for FY 2023E: ~€100mm (CAPEX/total revenue of ~7%)

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



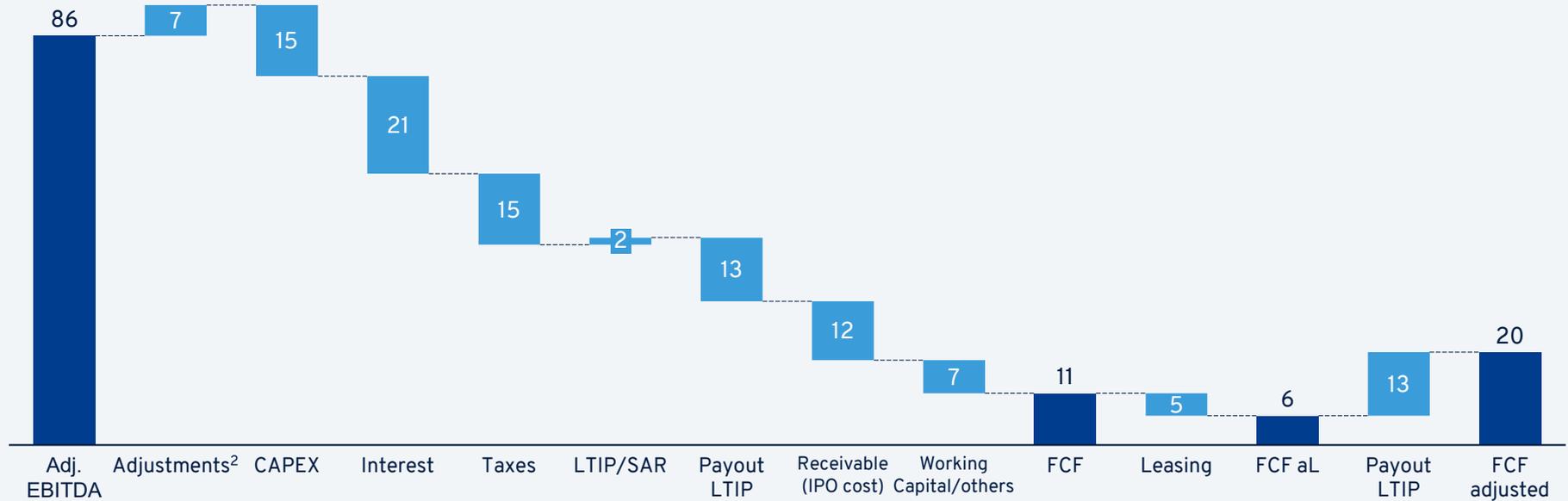
¹ Net Debt is the sum of non-current liabilities to related parties (31.03.2023: €1,215mm) and current liabilities to related parties (31.03.2023: €8mm), less receivables from related parties (31.03.2023: €16mm), less cash and cash equivalents (31.03.2023: €35mm)

² Calculated as Net Debt / Adj. EBITDA LTM

Free Cash Flow generation

Q1 2023 adj. EBITDA to (adjusted) Free Cash Flow¹(FCF) bridge (in €mm)

(in €mm)

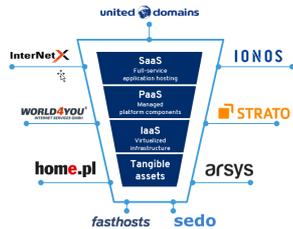


¹ Free cash flow (FCF) is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment;

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



Continuous focus on
our successful
Wordpress strategy

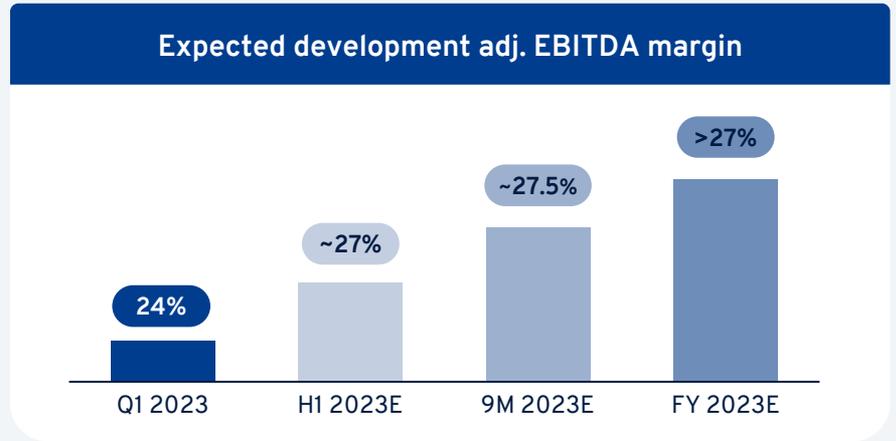


Release of AI
features through the
whole product suite



We are confirming our outlook for FY 2023¹

	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



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

¹ Outlook is based on constant currency

Summary & conclusion



Q&A

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



IONOS

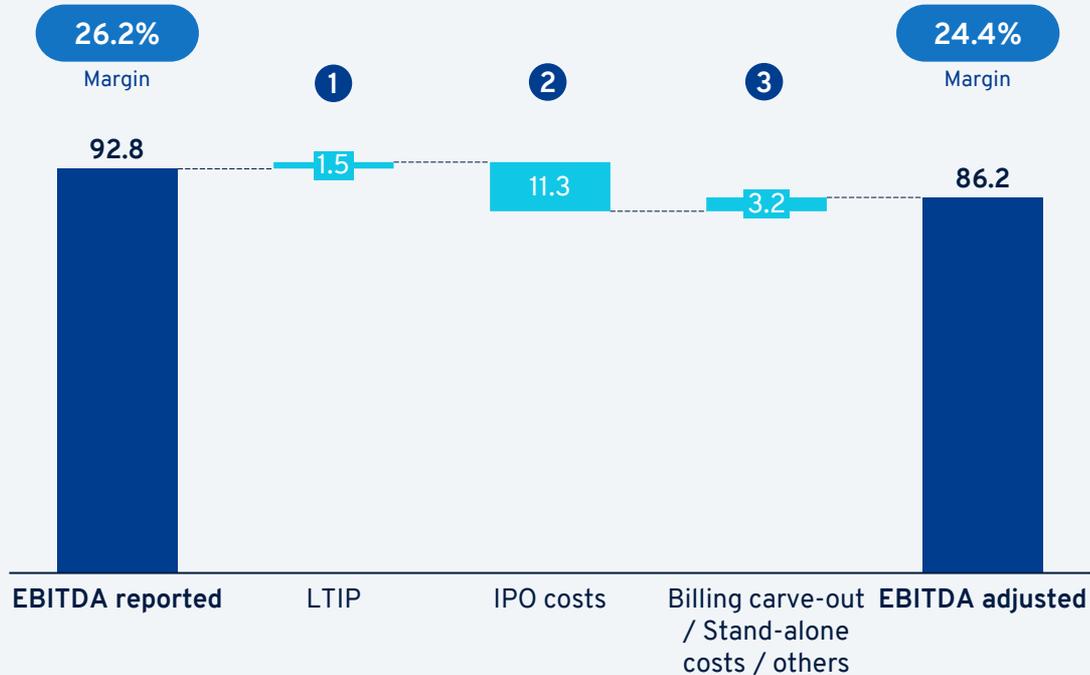
Appendix

Financial Overview

In €mm	Q1 2022	Q1 2023	Change yoy
Revenue	311.4	353.8	+13.6%
Adjusted EBITDA	91.8	86.2	-6.1%
EBIT	57.9	65.9	+13.8%
Adjusted EBT (excl. non-cash valuation effect from a contingent purchase price liability)	35.5	44.3	+24.7%
Adjusted EPS in €/share (based on the new share count of 91.9mm as of today, excl. non-cash valuation effect from a contingent purchase price liability)	0.26	0.31	+23.1%

EBITDA to adj. EBITDA bridge

Q1 2023 EBITDA, adjustments and adj. EBITDA (in €mm)



Commentary

- 1 Employee stock ownership program
- 2 Costs in connection with the IPO, which have been charged to the selling shareholders (net effect)
- 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) and others

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	<p>Mid-term: We expect to grow at ~10% CAGR, driven by</p> <ul style="list-style-type: none"> • WP&P (incl. Aftermarket): High single digit CAGR <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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%+	<p>Mid-term: We expect to progressively exceed 30% Adj. EBITDA margin, driven by multiple levers becoming effective from 2023 onwards</p> <ul style="list-style-type: none"> • 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

Mid-term Outlook (2/2)

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

Comprehensive product portfolio, first class customer care and infrastructure

IONOS

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

WEB PRESENCE & PRODUCTIVITY

One-stop-shop for all digitalization needs of SMBs



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 centers²



Broad portfolio



Open-source



Future-oriented design



State-of-the-art



Scalable