

IONOS

Company Presentation
June 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 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.

FY 2022 confirmed the strength and sustainability of growth, profitability and cash generation

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



Europe overall¹



€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

Leverage 3.5x⁵

Deleveraging by ~0.5x per year going forward

€ 14.00 ARPU⁶ (5.2% yoy growth)

Strong cross and up-selling

NPS of >34⁷

High customer loyalty

11x+ CLTV/CAC⁸

Targeted and efficient customer acquisition

~12-18 months payback⁹

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 Defined as Net Debt / LTM adj. EBITDA; ⁶ Refers to IONOS Group excl. Aftermarket; ⁷ NPS as per Q4 2022; ⁸ 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; ⁹ Incl. discounts.

The leading European SMB digitalization partner & trusted cloud enabler



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;

Comprehensive product portfolio, first class customer service 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

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

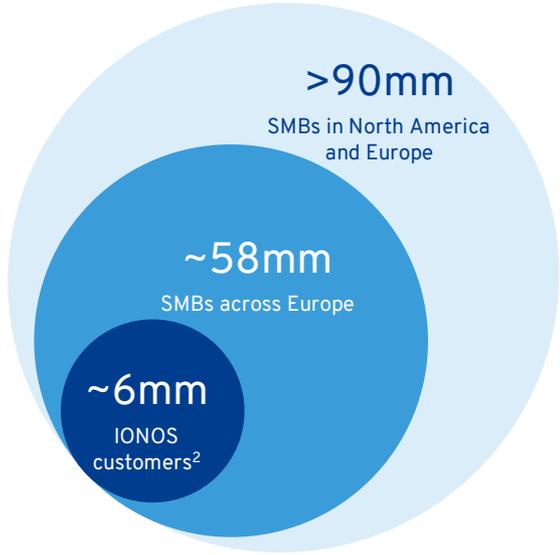
Summary & conclusion



IONOS equity story

Large, attractive and fast-growing market driven by secular trends

Large and untapped SMB core target group¹



96%+

of SMBs in Europe are micro SMBs and solo-preneurs

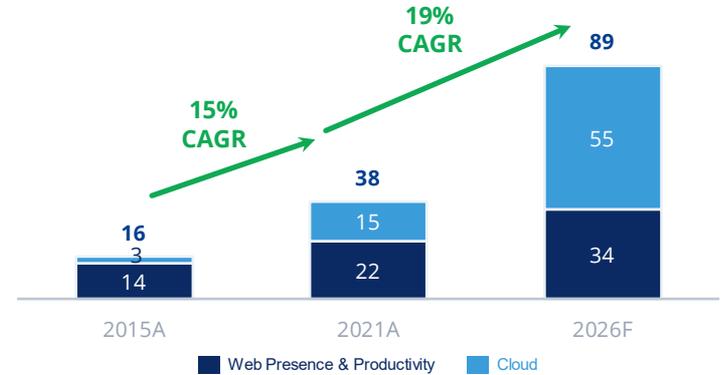
Only **~50%**

of solo-preneurs and micro SMBs have a website

Only **~27%**

of SMBs with websites use an e-commerce solution

IONOS served addressable market '15-26³, €bn

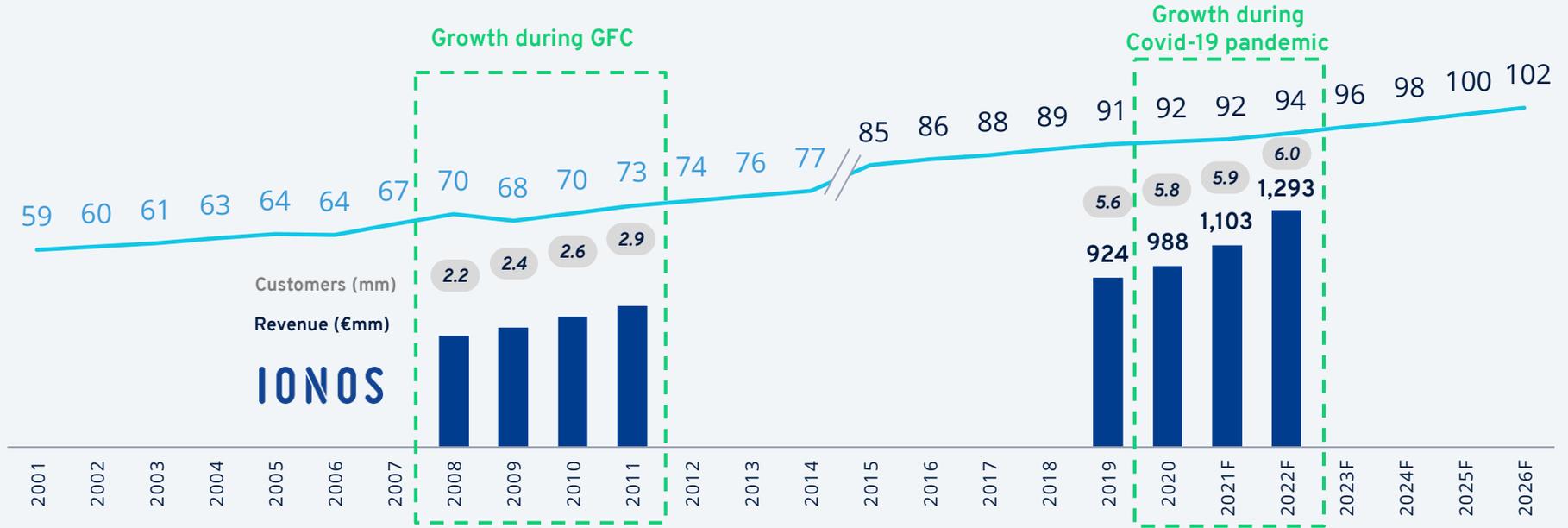


CAGR		'15-21	'21-26
	WEB PRESENCE & PRODUCTIVITY	8%	9%
	CLOUD	35%	29%

Sources: Company Data Analysis, company information, McKinsey: The SMB Market for Digitization and Cloud Solutions, ¹ SMB core target group shown in the chart includes companies with <250 FTE in 2020; ² Total number of IONOS customers (mostly SMBs), as of September 30, 2022; ³ McKinsey: The SMB Market for Digitization and Cloud Solutions, Cloud North America and server hosting North America deducted from total McKinsey figures to align with IONOS current addressability

Historical pattern underlines strong resilience even in times of market downturn

Number of SMBs in Europe and North America (in millions)



Source: Company Data Analysis based on Statista¹

Source: Company Data Analysis based on Eurostat, OECD, IMF, US Census²

Source: Company Data Analysis; Statista, Eurostat, OECD, IMF, US Census (SMBs and large enterprises)

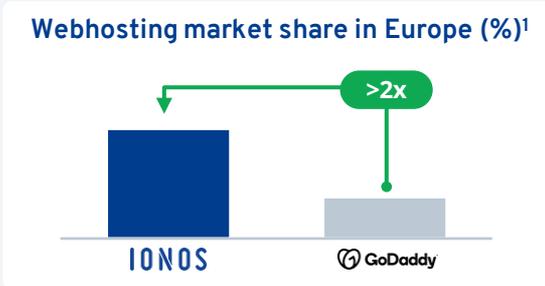
¹ Company Data Analysis based on Statista, including SMBs (defined as companies with < 250 FTE). Also including freelancers as per Company Data Analysis. Analysis includes Europe, and North America; ² Company Data Analysis based on Eurostat, OECD, IMF, US Census, Company Data Analysis, extrapolated for 2021-2026F using average GDP forecasts. Includes freelancers, non-employer firms, micro, small and medium SMBs in Europe and North America

Web Presence & Productivity: unique competitive advantages reinforce outstanding European market position

IONOS  **in Europe overall¹**

Market share

Germany			51%
Spain			21%
Austria			19%
UK			13%
Poland			11%
France			10%



Why we see competitive advantages vs digital platform providers



1 Scale Highly focused product portfolio with an **extensive footprint across Europe**, driving strong network effects

2 Service **Outstanding and award winning personal support** as trusted partner

3 Security Track record of **high data privacy** and **security standards** combined with **strong reliability** across the last 25 years

4 Efficiency **Efficient marketing**, leveraging intra-group synergies

Why we see competitive advantages vs use case focused players



1 One-stop shop **One-stop-shop solution** provider, offering a curated portfolio of products tailored for successful growth of customers of all sizes without changing the provider

Source: Company information, Company Data Analysis, HostAdvice
¹ Refers to webhosting market shares based on Company Data Analysis and HostAdvice. Europe includes Germany, UK, Spain, France, Poland and Austria. Market size (in €) of the European web hosting market in 2021 by country based on Company Data Analysis. IONOS shares based on Web Presence & Productivity revenue in 2021. OVH France based on estimated revenue in 2021 and Company Data Analysis. Other competitors based on number of domains hosted by web hosting companies as published by HostAdvice as of September 2022. Hyperscalers excluded since not considered part of relevant peer group

Public Cloud – Services and Solutions
Hyperscale Infrastructure and Platform Services

2022
Germany¹



2022 ISG Provider
Lens Leader¹

- ✓ IONOS is on a growth trajectory, also adding new services
- ✓ Compared to the hyperscalers, the attractive Cloud Services of IONOS have the same quality
- ✓ Dedicated Infrastructure as a Service
- ✓ Flexible and scalable infrastructure

Awards



Preferred Vendor
Cloud Solutions



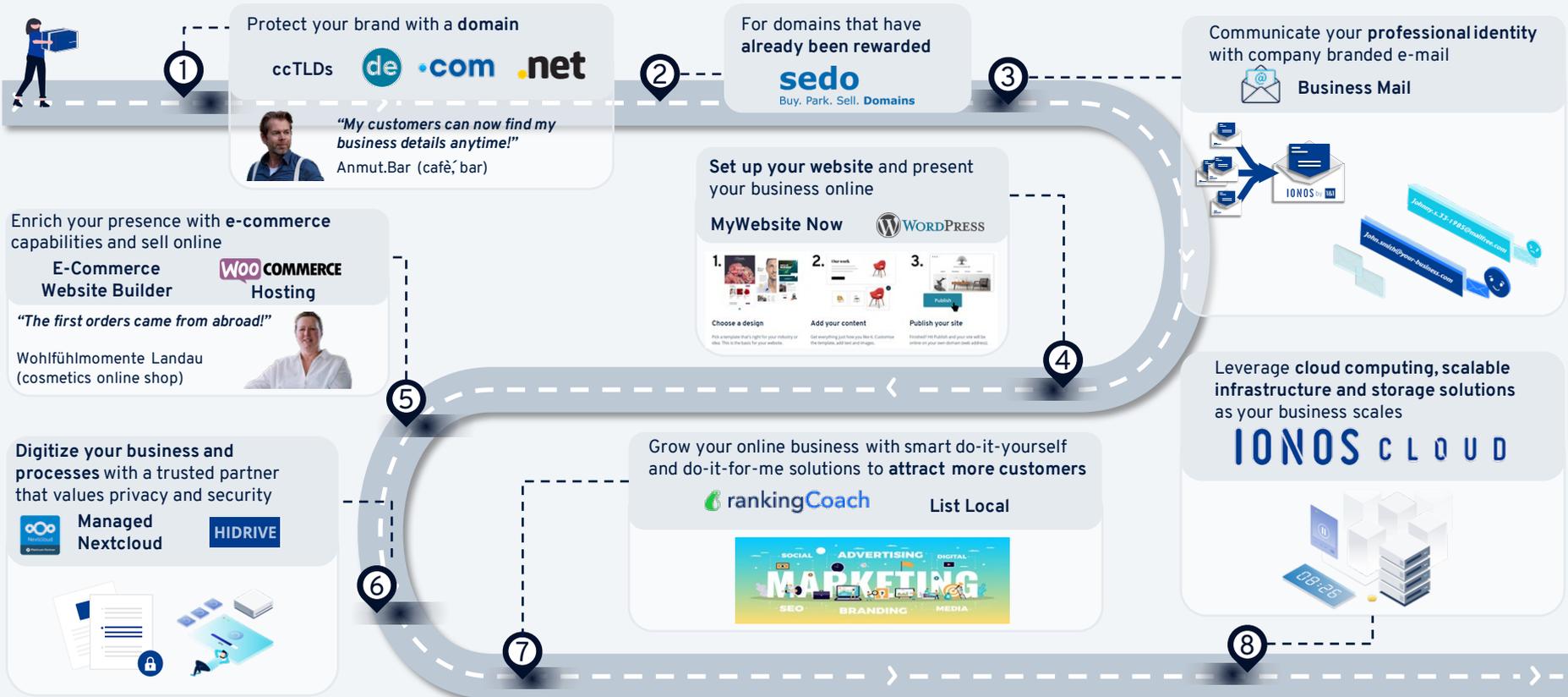
Leader 2022
Germany



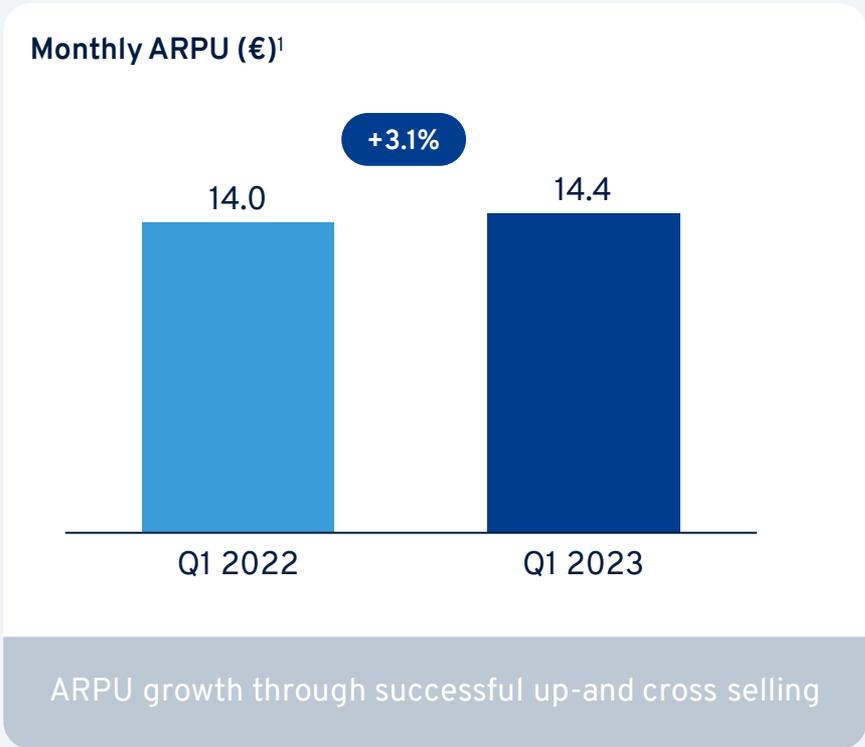
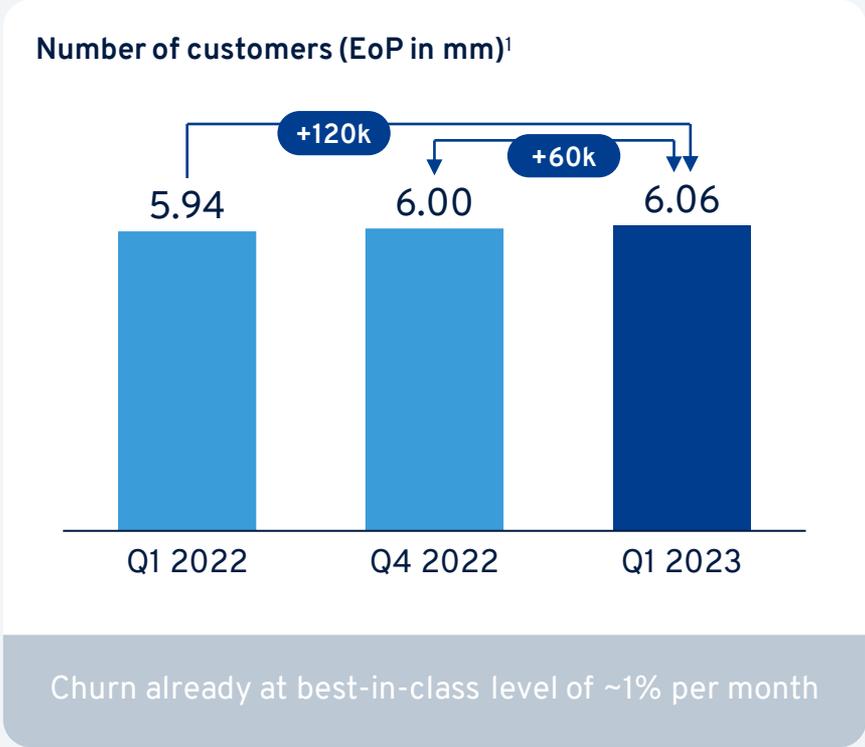
Platinum Award
Cloud Service Provider

¹ ISG Provider Lens: Public Cloud – Services & Solutions, Hyperscale Infrastructure & Platform Services, Germany 2022

The IONOS one-stop-shop portfolio enables an end-to-end digitisation journey for our customers



Growing customer base and ARPU expansion underpinning our predictable growth



¹ Refers to IONOS Group excluding Aftermarket

In a consolidating market, the 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 investment has already started to pay off

Brand awareness¹



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

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

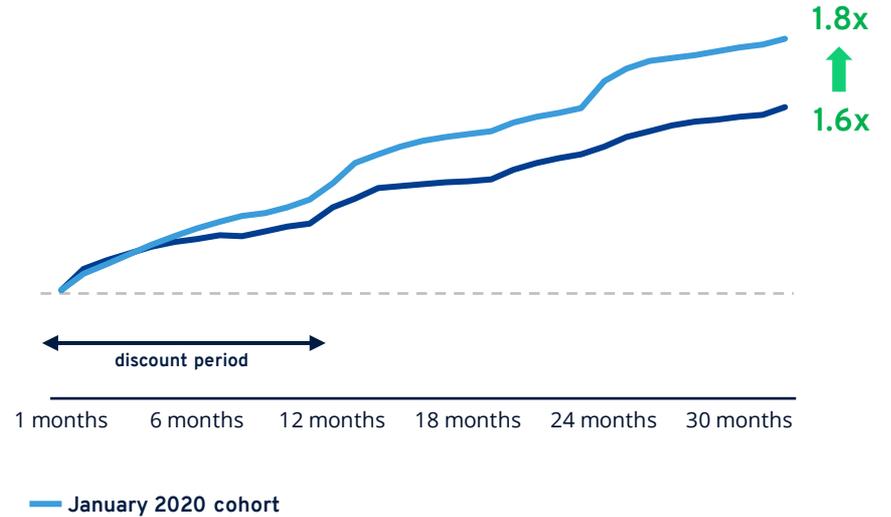
Proven track record of up-selling and cross-selling

ARPU development and number of services of cohorts

ARPU evolution per cohort



Evolution of average number of services used, per cohort



IONOS’ strong commitment to the environment and sustainability is a clear driver of value creation

We focus on energy efficiency measures, our people, culture & sense of community



120

Total Energy Consumption GWh

132 in 2018



1.42

Power Usage Effectiveness

1.52 group average in 2018



100%

Renewable electricity

92% in 2018



24.3%

Female management²

18.5% in 2018



100%

Climate neutral data centers (Scope 1 & 2)¹

100% since 2018

Strong corporate culture with entrepreneurial founder-led spirit that will take the company to the next level

Financials & guidance

All business areas contributing to strong and sustainable revenue growth

Total revenue (in €mm)

Total yoy revenue growth

Cloud solutions revenue growth

WP&P (excl. Aftermarket) revenue growth

Aftermarket revenue growth

13.6%

12.6%

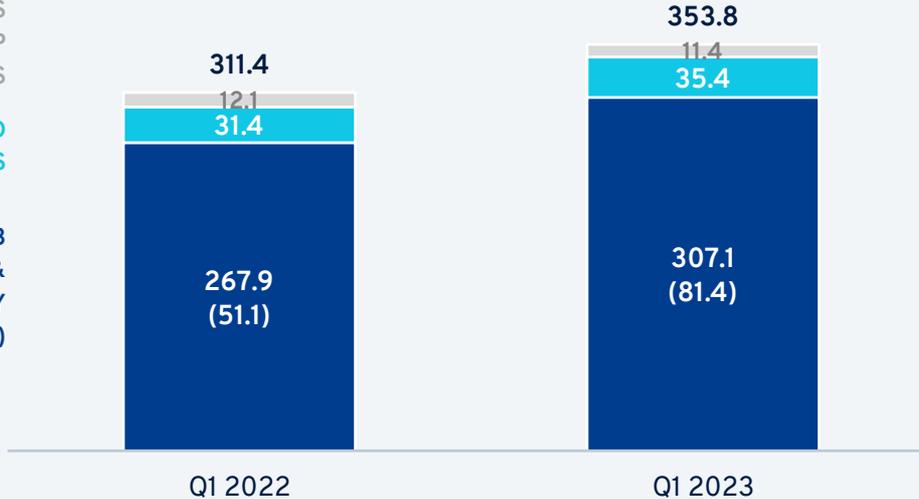
4.0%

59.5%

HOSTING SERVICES TO UI GROUP COMPANIES

CLOUD SOLUTIONS

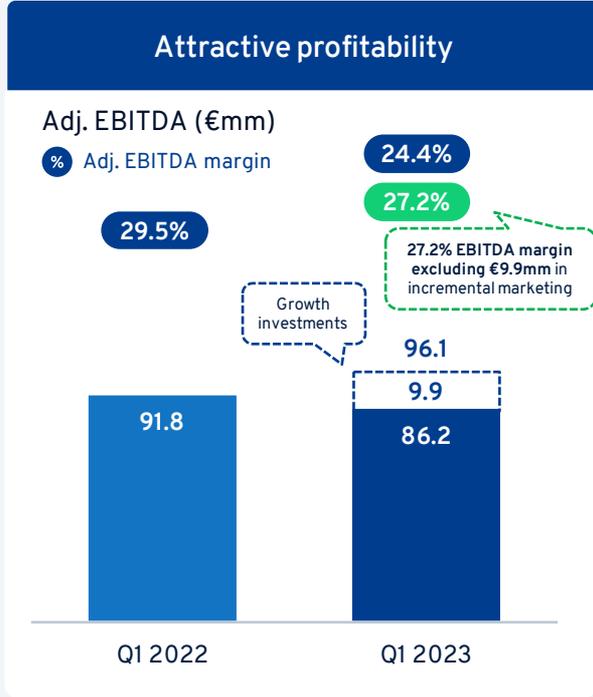
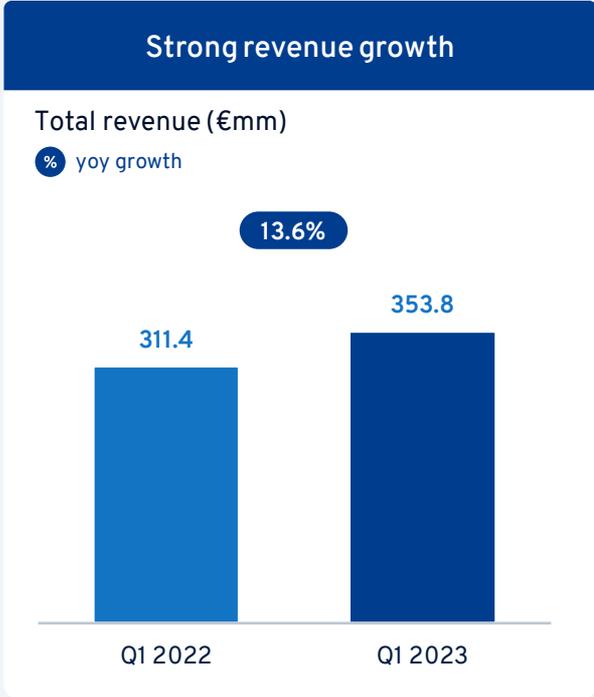
WEB PRESENCE & PRODUCTIVITY (o/w Aftermarket)



Commentary

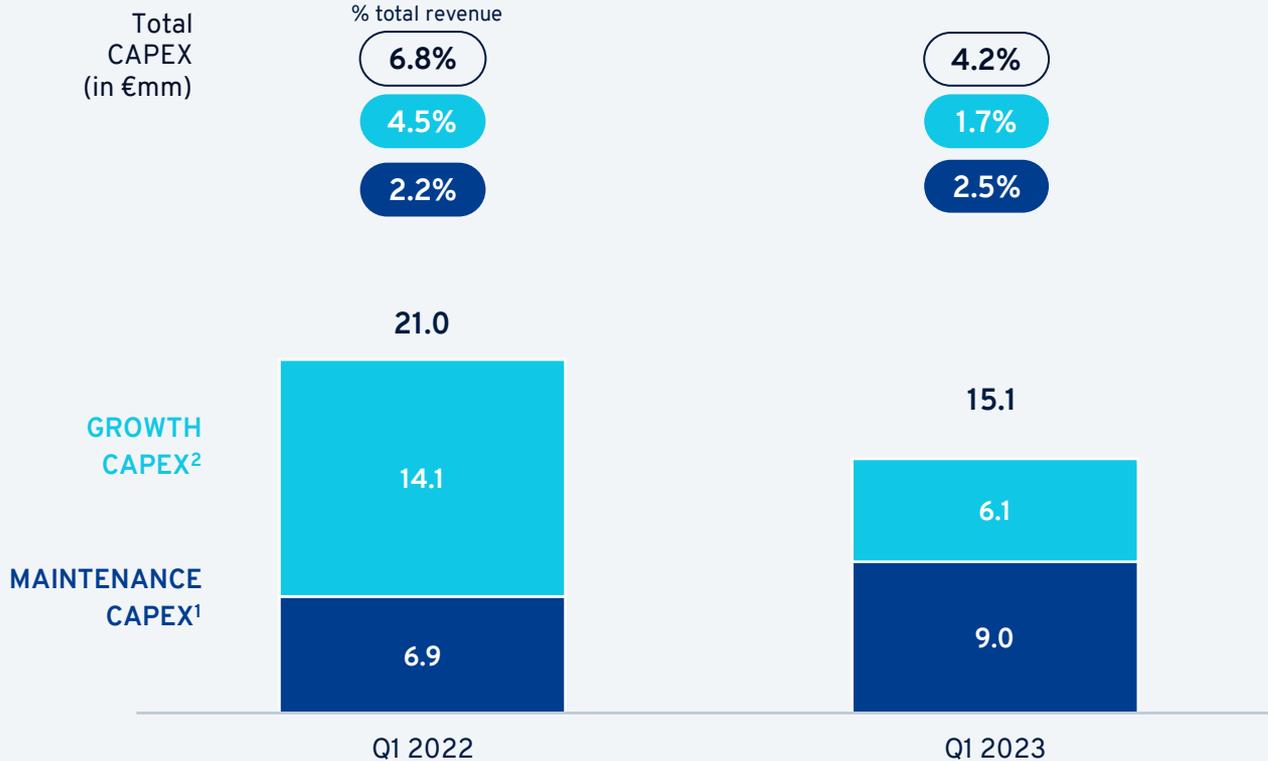
- **Web Presence & Productivity** with strong growth of 14.6% yoy (4.0% yoy excl. Aftermarket or 4.3% yoy excl. Aftermarket at constant currency)
- **Cloud Solutions** growing 12.6% yoy (17.0% yoy excl. initial project with one large customer in H1 2022)
- FX contributing 0.5pp to total revenue growth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

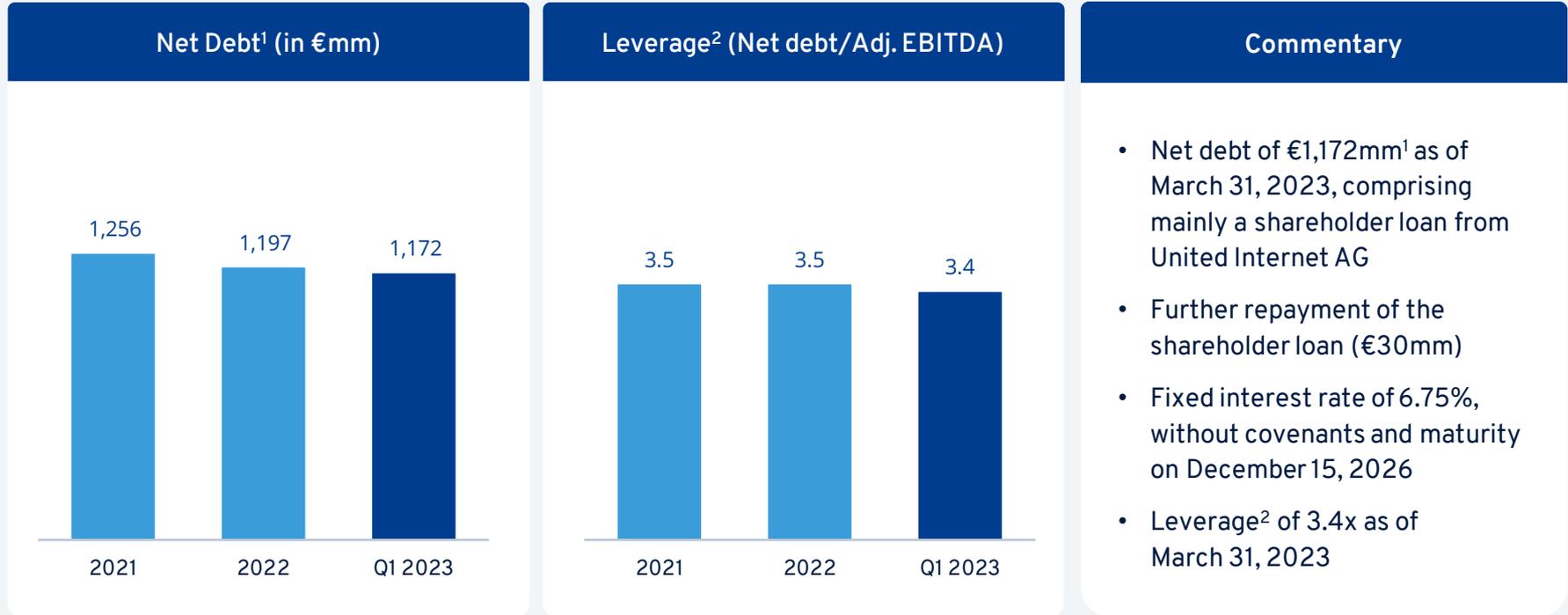
- Total Capex as % of total revenue decreased to 4.2% (prev. year: 6.8%; FY 2022: 7.5%)
- Low and predictable maintenance capex requirements
- Majority of growth capex is related to Cloud Solutions
- Expected CAPEX for FY 2023E: ~€100mm (CAPEX/total revenue of ~7%)

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



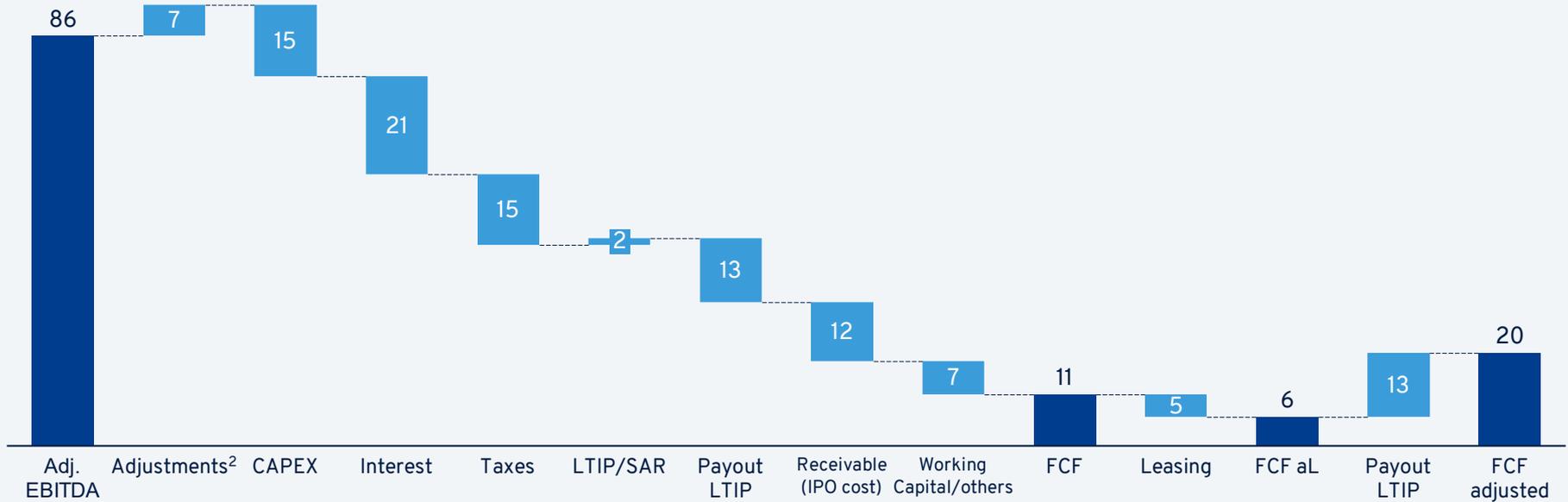
¹ Net Debt is the sum of non-current liabilities to related parties (31.03.2023: €1,215mm) and current liabilities to related parties (31.03.2023: €8mm), less receivables from related parties (31.03.2023: €16mm), less cash and cash equivalents (31.03.2023: €35mm)

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)

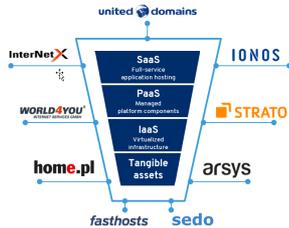


¹ Free cash flow (FCF) is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment;

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

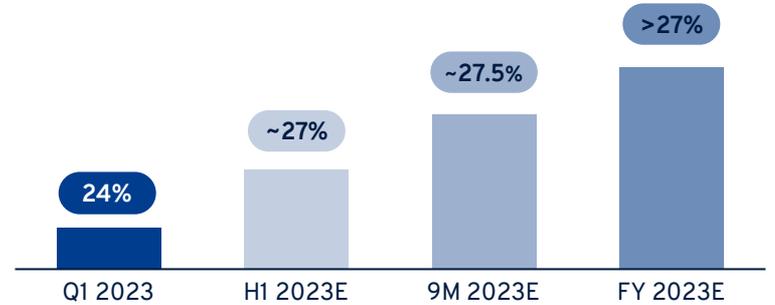


We are confirming our outlook for FY 2023¹

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

Expected development adj. EBITDA margin

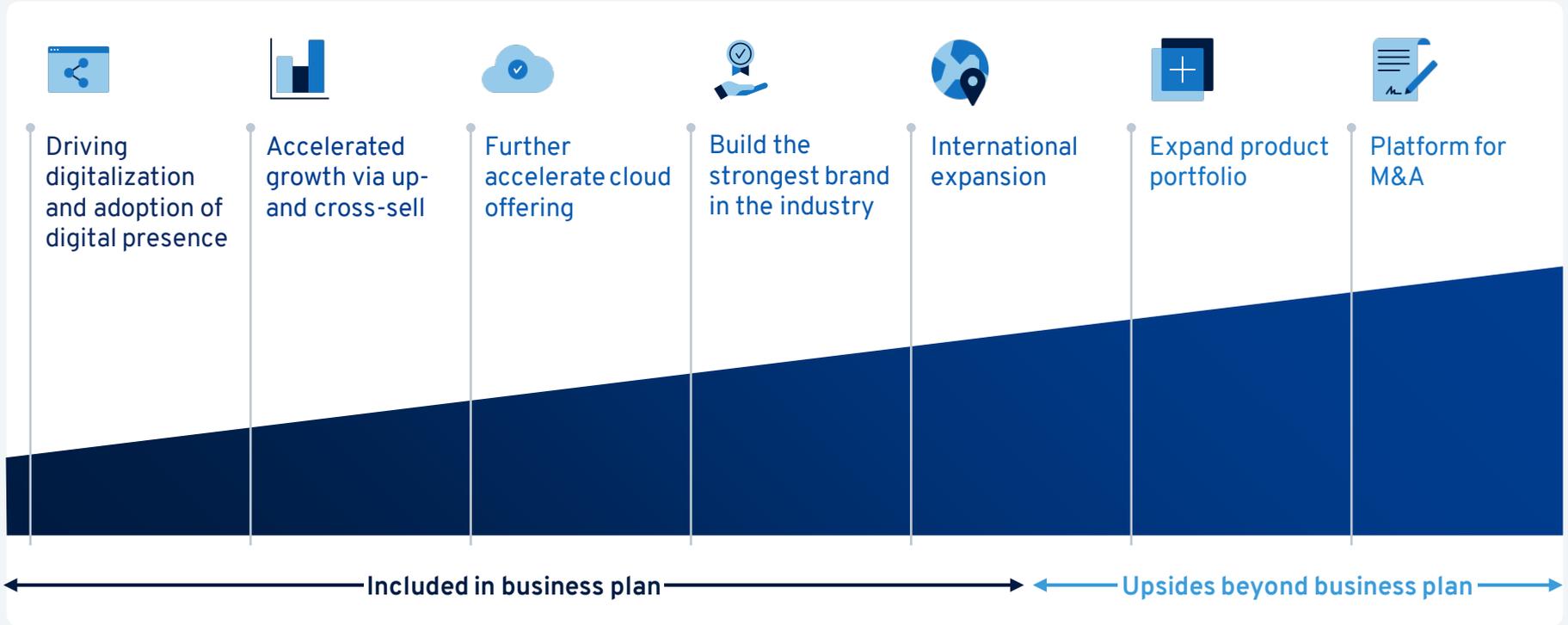


Commentary

- 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

IONOS is well positioned to take advantage of multiple growth levers



Note: Order of items does not indicate priority or progress

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