

IONOS

9-Month 2023 Results



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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.

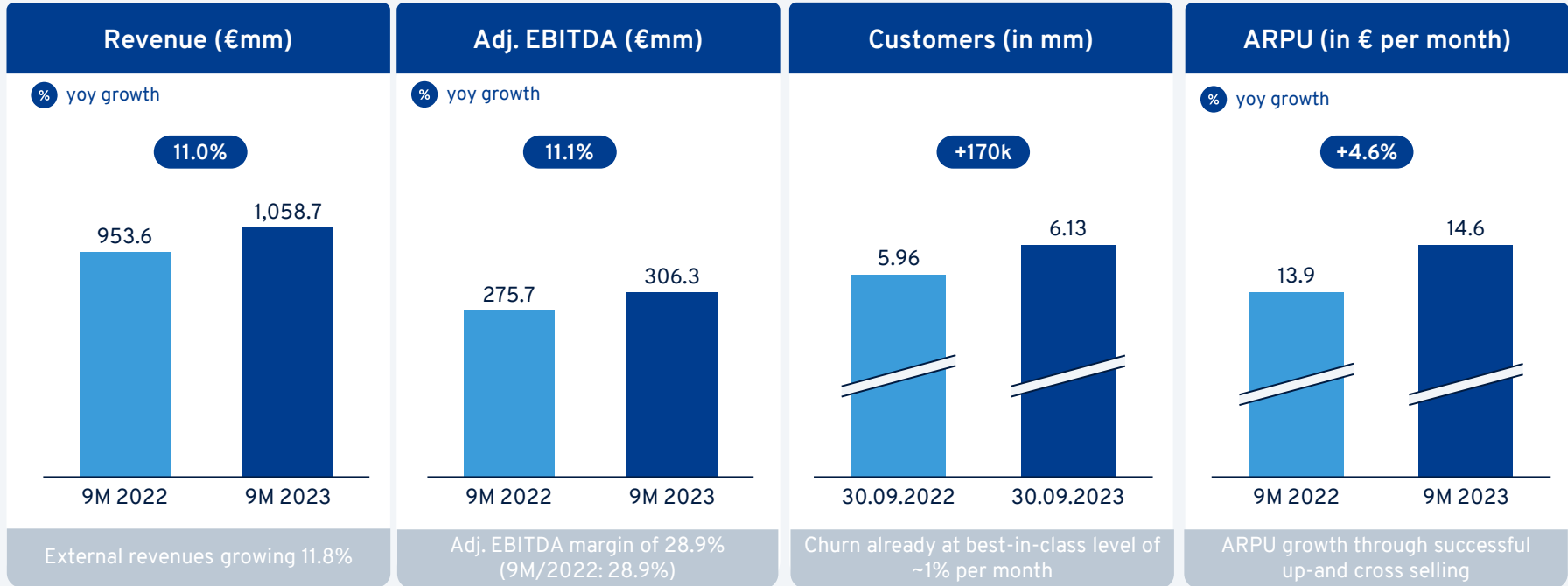
The Leading European SMB digitalization partner & trusted Cloud enabler



9M 2023 figures

¹ Total revenue including ~€33mm revenue (=3%) 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

Successful first 9M 2023

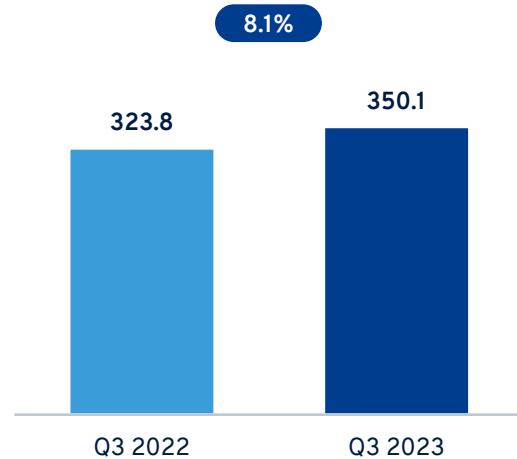


Strong Q3 2023 performance...

Strong revenue growth

Total revenue (€mm)

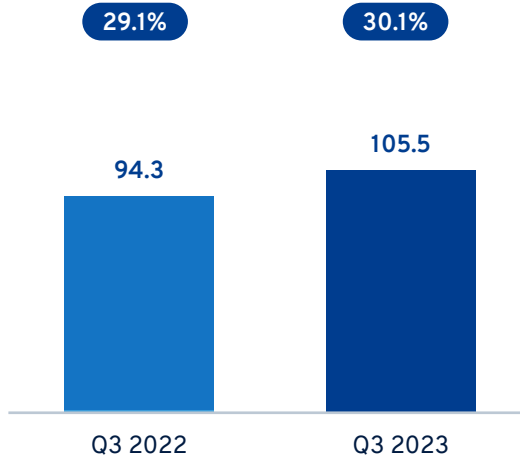
% yoy growth



Attractive profitability

Adj. EBITDA (€mm)

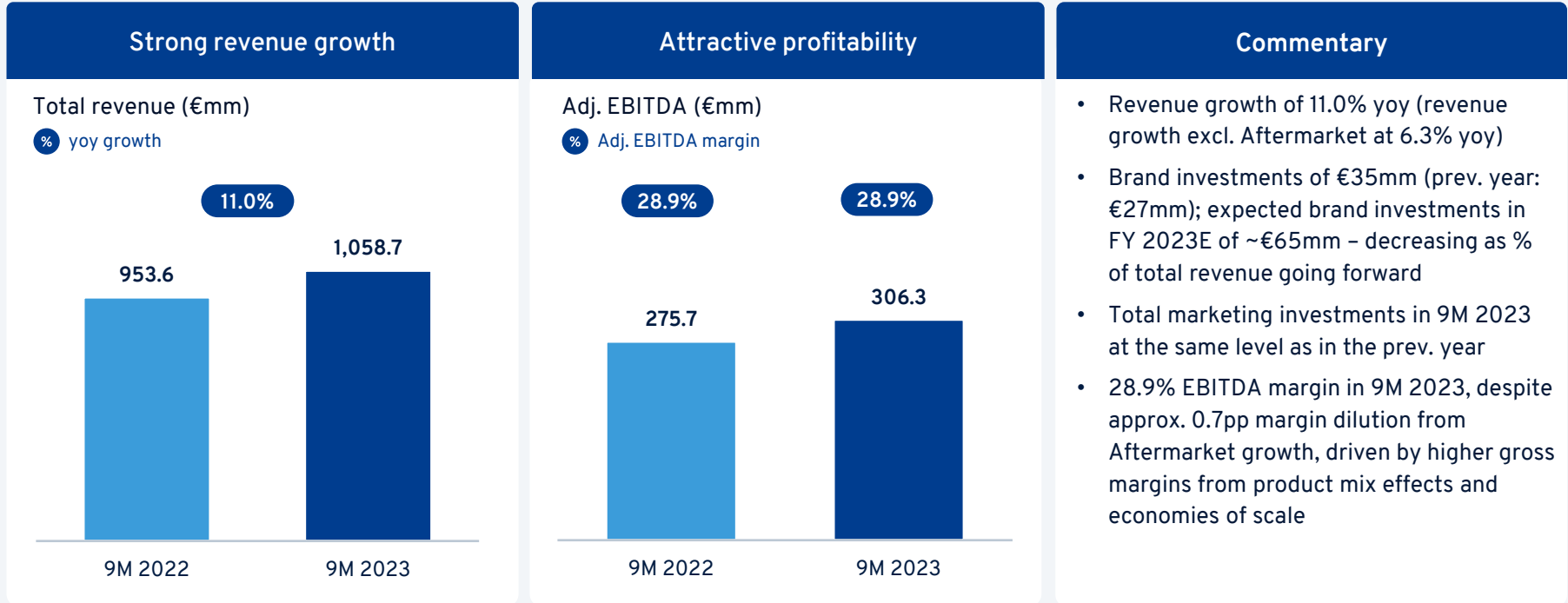
% Adj. EBITDA margin



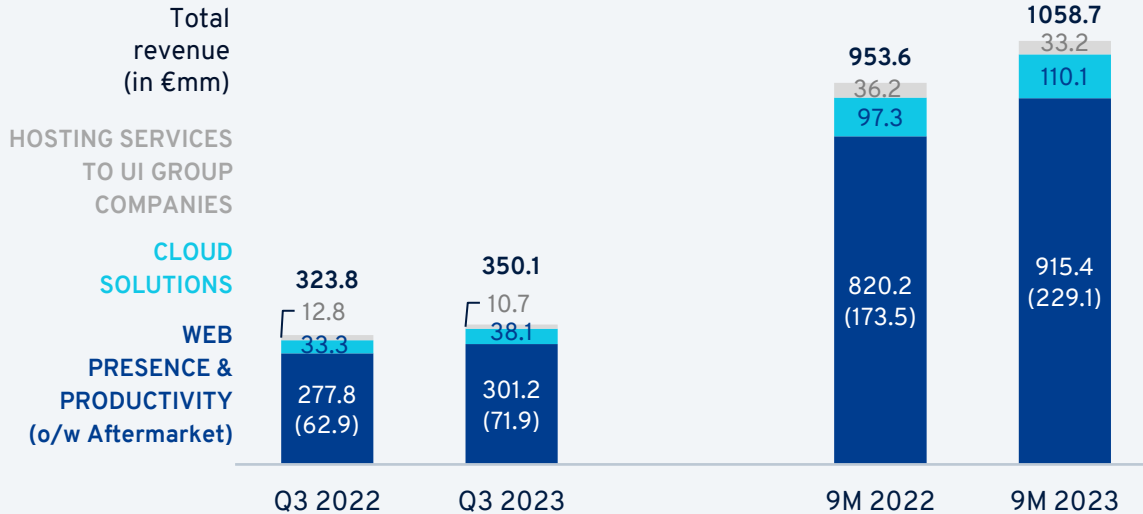
Commentary

- Revenue growth of 8.1% yoy (revenue growth excl. Aftermarket at 6.6% yoy)
- EBITDA margin increased to 30.1%
- Marketing investments roughly at the same level as in the previous year

...translating into very solid first 9M 2023



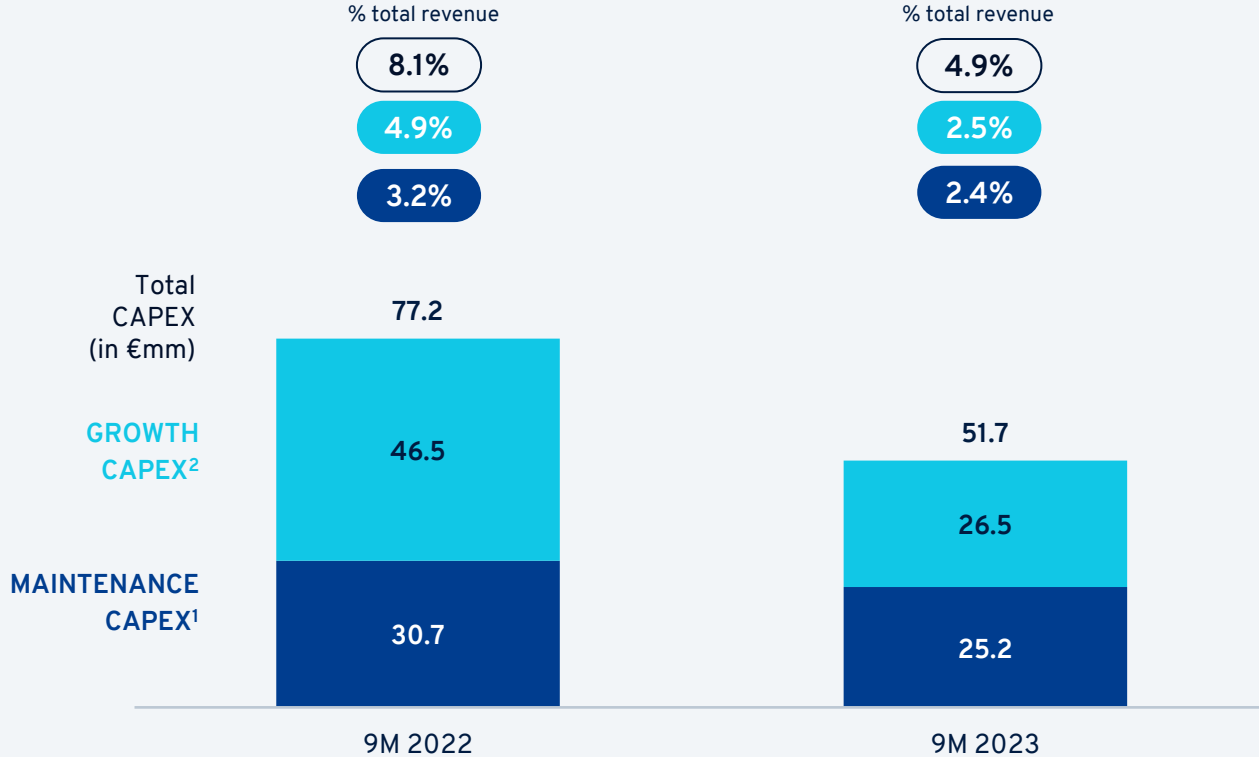
All business areas contributing to strong and sustainable revenue growth



Commentary

- **Web Presence & Productivity** with solid growth of 8.4% yoy in Q3 2023 and 10.2% yoy at constant currency (6.7% yoy excl. Aftermarket or 7.5% yoy excl. Aftermarket at constant currency)
- **Cloud Solutions** growing 14.6% yoy in Q3 2023 (16.3% yoy at constant currency)
- FX headwind of 1.7pp on total revenue growth in Q3 2023 and 0.9pp on revenues excl. Aftermarket

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



Commentary

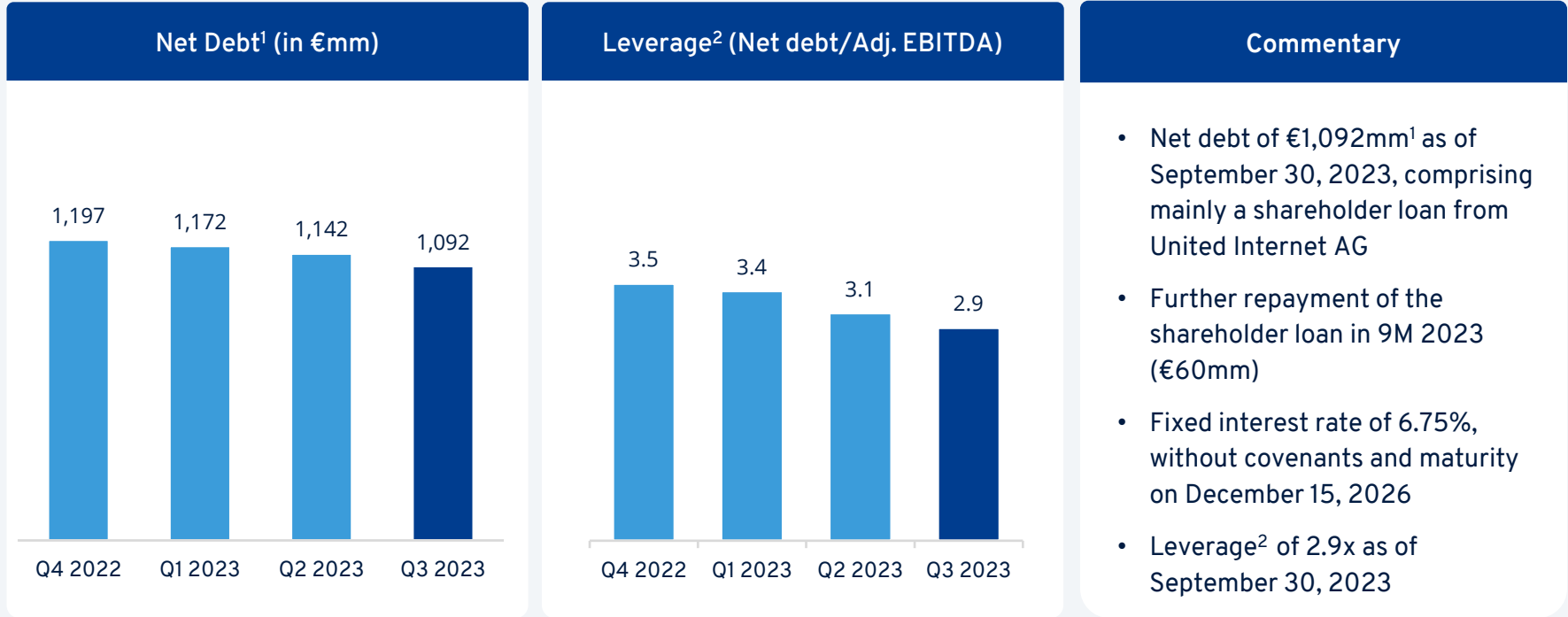
- Total Capex as % of total revenue decreased to 4.9% (prev. year: 8.1%; FY 2022: 7.5%)
- Low and predictable maintenance capex requirements
- Majority of growth capex is related to Cloud Solutions
- Expected CAPEX for FY 2023E: ~€90-100mm (CAPEX/total revenue of ~6-7%)
- Increasing CAPEX in Q4 2023, due to pending deliveries ~€15mm

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

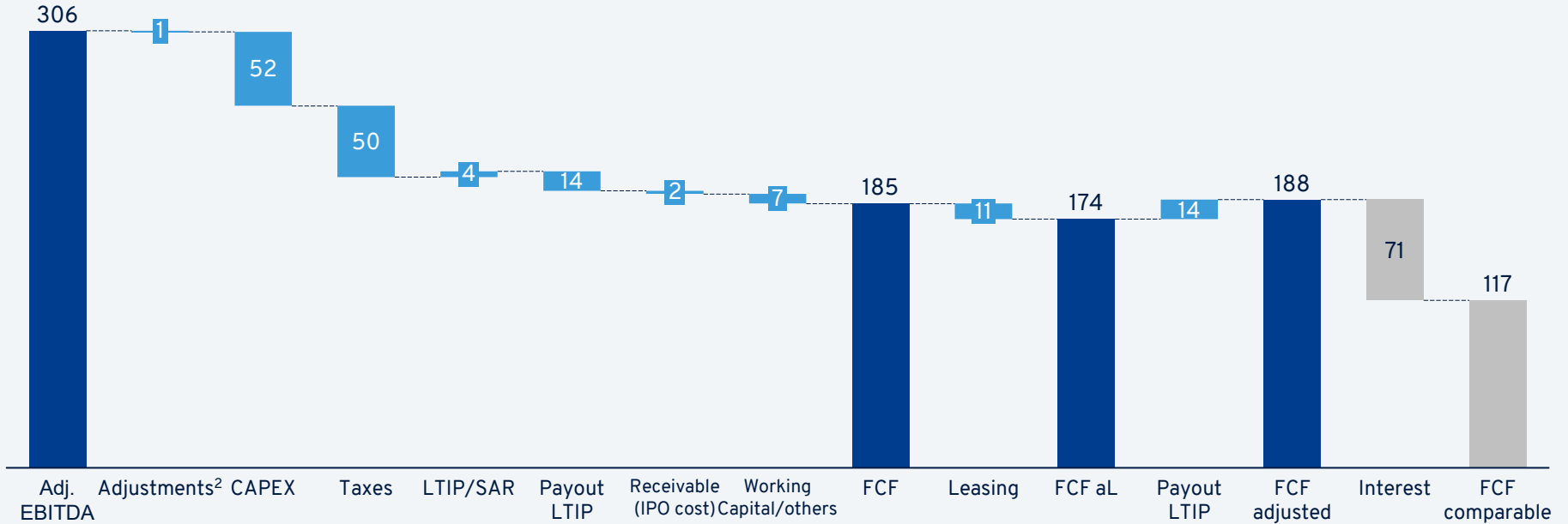


¹ Net Debt is the sum of non-current liabilities to related parties (30.09.2023: €1,185mm) and current liabilities to related parties (30.09.2023: €5mm), less receivables from related parties (30.09.2023: €72mm), less cash and cash equivalents (30.09.2023: €26mm) at the end of the period;

² Calculated as Net Debt / Adj. EBITDA LTM

Strong and highly predictable Free Cash Flow generation

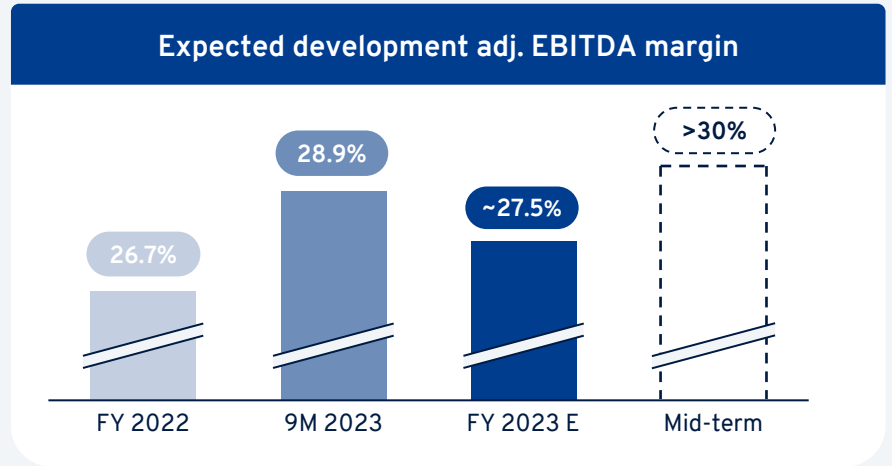
9M 2023 adjusted EBITDA to (adjusted) Free Cash Flow¹(FCF) bridge (in €mm)



The cash flow statement was changed: Interest payments were reclassified from cash flows from operating activities to cash flows from financing activities. The changes are explained in more detail in the 9-Month Report 2023
 Free cash flow (FCF) is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment;
² Adjustments for either non-recurring items or non-operating items (i.e. IPO costs, LTIP, stand-alone costs)

We are firming up our outlook for FY 2023¹

	FY 2023E	
	March guidance	New guidance
Total revenue growth	~10%	~10%
Web Presence & Productivity	8 – 10%	~ 11%
Cloud Solutions	16 – 20 %	~14-15 %
Adj. EBITDA margin	>27%	~27.5%
Leverage EoY (Net debt/Adj. EBITDA)	<3.0x	<3.0x






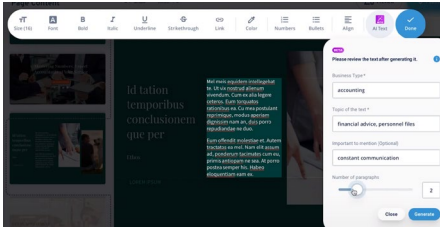
- Adj. EBITDA margin is expected to be lower in Q4 2023, due to higher marketing investments
- Mid-term outlook unchanged

¹ Outlook is based on constant currency



IONOS is already leveraging AI's vast potential - both externally and internally

Products

- MyWebsite Text Generation  available since May 2023
- AI assisted newsletter tool  just launched
- AI-powered website creation 
- AI Model Hosting Beta



Customer Facing

- AI based domain search 
- AI based features 
- Up- and cross selling
- Customer interaction



For IONOS

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



Create your website with AI

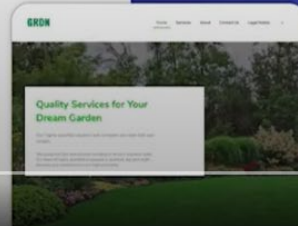
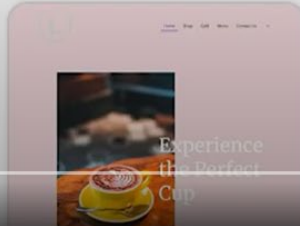
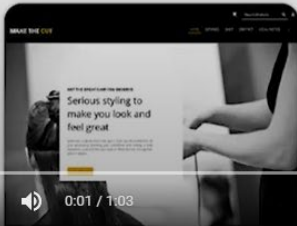
Use the power of AI to quickly build an entire website that's ready to publish to the whole world in no time!

Next








OR

Start from a website template



0:01 / 1:03

AI product features driving customer value

	Starter	Plus	Pro
Monthly standard price ¹	€ 12	€ 18	€ 28
Package	Intuitive editor for beginners who want to get online quickly	Powerful editor with more customisation options and additional storage	Powerful editor with unlimited webspace and SEO
 AI Website Builder	✓	✓	✓
 AI Text Generator		✓	✓
 AI Text Improver		✓	✓
 AI SEO Generator		✓	✓
 AI Image Generator		✓	✓

- Positive customer feedback, around 60% of customers use AI vs. classic templates
- Overall quality of websites created with AI improved (i.e. fewer standard phrases)
- Time to publish decreased by around 30%
- The AI product enhancement came with a price increase by around €3 in all tariffs, for both existing and new customers
- Advanced AI features will help to further drive customers to Plus and Pro plans

¹ Standard plan Germany, incl. VAT

Summary & conclusion



Q&A

IONOS

9-Month 2023 Results



Appendix

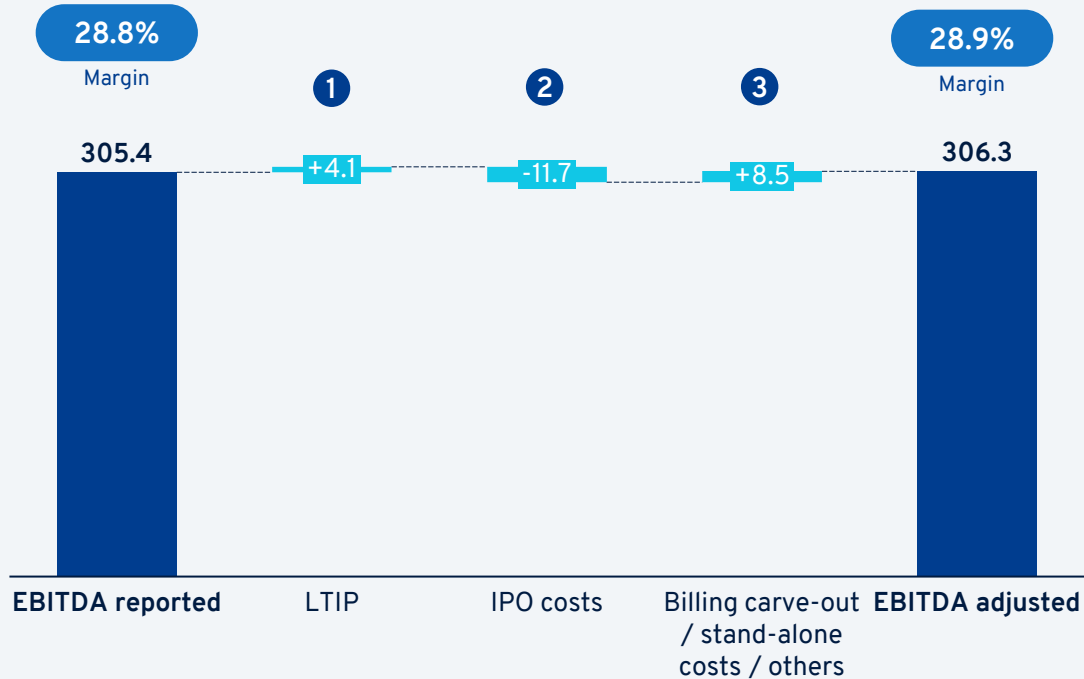
Financial Overview

In €mm	Q3 2022	Q3 2023	Change yoy	9M 2022	9M 2023	Change yoy
Revenue	323.8	350.1	+8.1%	953.6	1,058.7	+11.0%
Adj. gross profit¹	209.8	232.0	+10.6%	628.3	687.3	+9.4%
Adj. EBITDA	94.3	105.5	+11.8%	275.7	306.3	+11.1%
EBIT	60.8	74.5	+22.6%	174.0	224.9	+29.2%
Adjusted EBT (excl. non-cash valuation effect from a contingent purchase price liability)	38.1	53.1	+39.4%	106.6	160.2	+50.2%
Adjusted EPS in €/share (based on the new share count of 124.1mm as of today, excl. non-cash valuation effect from a contingent purchase price liability)	-	-	-	0.59	0.97	+64.4%

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

EBITDA to adj. EBITDA bridge

9M 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 the billing carve-out from United Internet Group, the establishment of IONOS as an independent group and others

Mid-term Outlook (1/2)

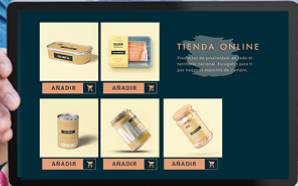
		2022A	2023E	Mid-term target (4-5 years)	Commentary
Total Revenue	Group	€1,293mm (17.2% yoy) 7.6% excl. Aftermarket	~10% yoy	~10% CAGR	<p>Mid-term: We expect to grow at ~10% CAGR, driven by</p> <ul style="list-style-type: none"> • WP&P (incl. Aftermarket): High single digit CAGR <ul style="list-style-type: 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 and we will continue to source 100% renewable electricity longer-term Reduction of data centre carbon emissions by 55% from 2019 levels by 2030 and 50% on-site generation of renewable energy (e. g. photovoltaics) 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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