

## Interim Statement Q1 2024

## SELECTED KEY FIGURES

	March 31, 2024	March 31 2023	Change
<b>NET INCOME (in €k)</b>			
Revenue	372,969	353,794	5.4 %
EBITDA	101,303	92,752	9.2 %
Adjusted EBITDA	105,807	86,205	22.7 %
EBIT	74,158	65,871	12.6 %
Adjusted EBT <sup>(1)</sup>	57,932	44,302	30.8 %
Adjusted EPS (in €) <sup>(2)</sup>	0.30	0.21	42.9 %
<b>BALANCE SHEET (in €k)</b>			
Current assets	300,967	191,432	57.2 %
Non-current assets	1,366,654	1,361,146	0.4 %
Equity	36,508	-117,011	
Equity ratio	2.2 %	-7.5 %	+9.7 %-P
Balance sheet total	1,667,621	1,552,578	7.4 %
<b>CASH FLOW (in €k)</b>			
Operative cash flow	88,278	60,281	46.4 %
Cash flow from operating activities	85,458	51,542	65.8 %
Cash flow from investing activities	-68,692	16,980	-504.5 %
Free cash flow <sup>(3)</sup>	66,153	33,279	98.8 %
<b>EMPLOYEES</b>			
Headcount as of March 31	4,354	4,217	3.2 %
thereof domestic	2,378	2,295	3.6 %
thereof foreign	1,976	1,922	2.8 %
<b>SHARE (in €)</b>			
Share price as of March 31(Xetra)	21.30	14.58	46.1 %
<b>CUSTOMER BASE (in Mio.)</b>			
thereof domestic	3.20	3.15	0.05
thereof foreign	3.05	2.91	0.15

<sup>(1)</sup> EBT excluding non-cash valuation effects from the contingent purchase price liability (EBT-Effect: -€8.324k; 2023: +€26.418k)

<sup>(2)</sup> EPS excluding non-cash valuation effects from the contingent purchase price liability (EPS-Effect: -€0,06; 2023: +€0,19). For reasons of comparability, EPS was also calculated for Q1 2023 on the basis of the 140,000,000 shares in circulation following the capital increase on February 1, 2023, as was the case for Q1 2024.

<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.

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## Dear shareholders, employees and business partners,

In the first quarter of the 2024 financial year, IONOS Group SE successfully continued its growth and further expanded its customer base. The number of customers increased by around 190,000 to 6.26 million (Q1 2023: 6.06 million).

Revenue increased by 5.4% to € 373.0 million in the first quarter of 2024 (Q1 2023: € 353.8 million), driven by rising Revenue from the successful cross-selling and upselling of existing customers, the continued positive development of new customer business and, last but not least, the price adjustments introduced in the second half of 2023.

Once again, web hosting, email and cloud products in particular made a positive contribution to growth. Revenue in our core business rose by 12.8% in the first quarter of 2024, while revenue in the lower-margin After-market business fell short of the previous year (-19.4%) due to temporary phasing effects in connection with a new product launch.

Adjusted EBITDA increased significantly in the first three months of the 2024 financial year and, at € 105.8 million, was 22.7% higher than in the same period of the previous year (Q1 2023: € 86.2 million). The adjusted EBITDA margin amounted to 28.4% (Q1 2023: 24.4%).

Based on the successful start to the 2024 financial year, IONOS confirms its forecasts for 2024 and 2025. Specifically, IONOS is planning currency-adjusted revenue growth of around 11% in the 2024 financial year (2023: € 1.423 billion). The adjusted EBITDA margin is expected to be around 28.5% (2023: 27.4%), resulting in adjusted EBITDA of around € 450 million (2023: € 390.3 million).

For 2025, IONOS plans to maintain its strong sales growth and further increase its adjusted EBITDA margin to around 30%.

Adjusted earnings per share (EPS) amounted to € 0.30 after the first 3 months of 2024 compared to € 0.21 in the same period of the previous year.

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

Montabaur, March 8, 2024

Achim Weiß

# INTERIM STATEMENT ON THE FIRST QUARTER 2024

## Business Development

### Customer development in the first 3 months 2024

in Mio.	March 31, 2024	March 31, 2023	Change
<b>Total customers</b>	<b>6.26</b>	<b>6.06</b>	<b>0.20</b>
thereof domestic	3.20	3.15	0.05
thereof foreign	3.06	2.91	0.15

in Mio.	March 31, 2024	December 31, 2023	Change
<b>Total customers</b>	<b>6.26</b>	<b>6.19</b>	<b>0.07</b>
thereof domestic	3.20	3.19	0.01
thereof foreign	3.06	3.00	0.06

The number of paying customers increased by around 70,000 in the first three months of 2024. This growth resulted in particular from our current TV campaigns at IONOS, STRATO and ho-me.pl, but also from the continued highly efficient and further optimized use of performance marketing initiatives and, last but not least, the expansion of our product portfolio. The increase is made up of around 15,000 customers in Germany and around 55,000 customers abroad, with the United Kingdom, France and the United States of America being particularly noteworthy. This increased the Group's customer base to a total of 6.26 million customers.

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

in €k	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q1 2023	Change
Revenue	354,850	350,065	365,025	372,969	353,794	5.4 %
EBITDA	111,263	101,380	79,985	101,303	92,752	9.2 %
Adjusted EBITDA	114,644	105,476	83,971	105,807	86,205	22.7 %
EBIT	84,512	74,490	52,599	74,158	65,871	12.6 %

### Multi-period overview: Development of key sales and earnings figures

in €k	Q1 2021	Q1 2022	Q1 2023	Q1 2024	Change
Revenue	265,730	311,413	353,794	372,969	5.4 %
EBITDA	81,383	86,076	92,752	101,303	9.2 %
EBITDA margin	30.6 %	27.6 %	26.2 %	27.2 %	1.0 %-P
Adjusted EBITDA	69,892	105,807	86,205	105,807	22.7 %
Adjusted EBITDA margin	26.3 %	34.0 %	24.4 %	28.4 %	4.0 %-P
EBIT	53,709	57,887	65,871	74,158	12.6 %
EBIT margin	20.2 %	18.6 %	18.6 %	19.9 %	1.3 %-P

### Quarterly development: Adjusted EBITDA

in €k	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q1 2023
EBITDA	111,263	101,380	79,985	101,303	92,752
Adjustment for LTIP <sup>(1)</sup>	1,216	1,367	1,759	1,671	1,537
Adjustment for stand-alone activities <sup>(2)</sup>	2,057	2,729	2,174	2,474	2,518
Adjustment for IPO costs <sup>(3)</sup>	-388	0	-44	0	-11,287
Adjustments for consulting fees incurred for one-off projects	0	0	0	0	0
Adjustment for the sale of shares	0	0	0	0	0
Adjustment for severance payments <sup>(4)</sup>	496	0	97	360	685
Total adjustments	3,381	4,096	3,986	4,505	-6,547
Adjusted EBITDA	114,644	105,476	83,971	105,807	86,205

<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	Q1 2021	Q1 2022	Q1 2023	Q1 2024
EBITDA	81,383	86,076	92,752	101,303
Adjustment for LTIP <sup>(1)</sup>	3,441	948	1,537	1,671
Adjustment for stand-alone activities <sup>(2)</sup>	2,616	3,897	2,518	2,474
Adjustment for IPO costs <sup>(3)</sup>	0	876	-11,287	0
Adjustments for consulting fees incurred for one-off projects <sup>(4)</sup>	160	0	0	0
Adjustment for the sale of shares	0	0	0	0
Adjustment for severance payments <sup>(5)</sup>	0	0	685	360
Total adjustments	6,217	5,721	-6,547	4,505
Adjusted EBITDA	87,600	91,797	86,205	105,807

<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 consulting fees incurred for one-off projects for e.g. reorganization measures.

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

Revenue increased by +5.4% in the first quarter of 2024 from € 353,794k in the previous year to € 372,969k, driven by rising revenue from successful cross-selling and upselling to existing customers and the continued positive development of new customer business.

Once again, web hosting, email and cloud products in particular made a positive contribution to growth. Revenue in the core business rose by 12.8% in the first quarter of 2024, while revenue in the lower-margin After-market business fell short of the previous year (-19.4%) due to temporary phasing effects in connection with a new product launch.

Overall, revenue in the Web Presence & Productivity segment rose by 4.6% to € 321,291k in the first three months (Q1 2023: € 307,074k), while revenue in the Cloud Solutions segment increased by 13.7% to € 40,196k (Q1 2023: € 35,367k). Total revenue of € 372,969k (Q1 2023: € 353,794k) also includes revenue from related parties, i.e. Group companies of the United Internet Group, which amounted to € 11,482k in the first quarter, roughly on a par with the previous year (Q1 2023: € 11,354k).

**EBITDA** developed very positively in the first quarter of 2024, increasing by 9.2% to € 101,303k. The gross margin increased from 46.0% in the first 3 months of 2023 to 51.2% in the first 3 months of 2024 and the Group's gross profit rose by € +28,176k (+17.3%) to € 190,927k. In particular, the price adjustments from the previous year, economies of scale from the subscription business model and the declining share of the Aftermarket business in total sales had a margin-increasing effect. The increase in personnel costs was also more than offset by the lower purchase of advertising services in the first 3 months of 2024 in relation to sales growth and by the increased gross margin. The slight decrease in expenses for the purchase of advertising services is primarily due to a different phasing of brand marketing expenses compared to the previous year.

**Adjusted EBITDA** increased by 22.7% from € 86,205 thousand in the previous year to € 105,807 thousand in the first 3 months of 2024. Marketing expenses remained stable compared to the previous year. Due to the various major sporting events this year, the company is planning a slightly different distribution of

marketing investments for the 2024 financial year and a shift in expenses towards the middle of the year. The adjusted EBITDA margin increased significantly from 24.4% in the first 3 months of 2023 to 28.4% in the first 3 months of 2024.

Compared to adjusted EBITDA, EBITDA rose less strongly than in the previous year, which is almost exclusively due to the income from the recharging of previous costs in connection with the IPO of IONOS Group SE included in EBITDA in the same quarter of the previous year

In the first 3 months of 2024, there were positive currency effects of € 1,361k on revenue and € 537k on EBITDA, in particular due to a favorable exchange rate development of the Polish zloty compared to the previous year. There were no significant effects from currency fluctuations on the Group's net assets.

**EBIT** increased by 12.6% from € 65,871k (March 31, 2023) to € 74,158k and therefore developed very positively as a result of the effects described above. Due to the decrease in other operating income of € 8,318k compared to the previous year as a result of the elimination of income from the recharging of IPO costs, the increase in EBIT is lower than the increase in EBITDA.

At 19.9%, the **EBIT margin** in the first 3 months of 2024 is above the corresponding prior-year margin of 18.6%.

## Position of the Group

There were no significant acquisition and divestment effects on Group sales and EBITDA in the first 3 months of 2024.

### Earnings position

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

in €k	Q1 2021	Q1 2022	Q1 2023	Q1 2024	Change
Cost of sales	124,222	161,676	191,043	182,042	-4.7 %
Gross margin	53.3 %	48.1 %	46.0 %	51.2 %	+5.2 %-P
Selling expenses	64,089	69,856	84,870	87,803	3.5 %
Selling expenses ratio	24.1 %	22.4 %	24.0 %	23.5 %	-0.5 %-P
Administrative expenses	18,618	19,942	18,793	24,624	31.0 %
Administrative expenses ratio	7.0 %	6.4 %	5.3 %	6.6 %	+1.3 %-P

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

The **cost of sales** decreased by 4.7% year-on-year to € 182,042k in the first 3 months of 2024, while revenue increased by +5.4%. This development is due to efficiency gains, price adjustments in the second half of 2023 and a change in the product mix due to the weakening of the Sedo Aftermarket business, which increased the gross margin from 46.0% to 51.2%.

In the first 3 months of 2024, **selling expenses** increased by +3.5% (+€ 2,933k) compared to the previous year and therefore at a slower rate than sales growth. There was mainly an increase in personnel expenses (€ +3,451k; +11.4% compared to the previous year), partly due to inflation-related adjustments to average salaries and a moderate increase in personnel. Purchased marketing services were down slightly on



the previous year by € 1,434k or 3.9%. As a result of the development described above, the selling expenses ratio fell by 0.5 percentage points in the first three months.

**Administrative expenses** increased by +31.0% (+€ 5,831k) in the first 3 months of 2024 compared to the previous year. This was due in particular to higher legal and consulting costs, which in the same period of the previous year were mainly characterized by IPO recharges.

The net position from **other operating income and expenses** decreased by € 8,770k to € 329k (previous year: € 9,099k). In the previous year, this item included prior-period income from the charging on of IPO costs in the amount of € 8,555k.

The **financial result** amounted to € -24,398k (as at March 31, 2023: € 4,860k) and is characterized by a valuation adjustment of the purchase price liability in connection with the acquisition of STRATO AG (€ -8,324k; previous year: € +26,418k). In addition, the partial repayment and redemption of the loan from United Internet AG led to lower interest expenses (in the first 3 months of 2024: € -16,786k; in the first 3 months of 2024: € -21,711k)..

As the measurement of the purchase price liability in connection with the acquisition of STRATO AG with income of € 26,418 kin the first three months of 2023 did not lead to the recognition of a deferred tax item, the Group tax rate increased significantly in the first three months of 2024 (from 21.1% as at March 2023 to 31.2% as at March 2024). After **tax expenses** of € 15,492k (previous year: € 14,891k), consolidated net income amounted to € 34,116k (previous year: € 55,829k).

**Earnings per share (EPS)** amounted to € 0.24 as at March 2024 and were calculated on the basis of the 140,000 thousand shares in circulation. For comparability, the previous year's EPS was also calculated on this basis.

**Adjusted EPS** amounted to € 0.30 as of March 2024 and € 0.21 as of March of the previous year. Adjusted EPS is calculated without taking into account the earnings effect from the measurement of the contingent purchase price liability. In addition, EPS for the first 3 months of 2023 is calculated using the 140,000 thousand shares in circulation as of March 31, 2024.

## Financial position

### Development of key cash flow figures

in €k	Q1 2024	Q1 2023	Change
Operative cash flow	88,278	60,281	46.4 %
Cash flow from operating activities	85,458	51,542	65.8 %
Cash flow from investing activities	-68,692	16,980	-504.5 %
Free cash flow <sup>(1)</sup>	66,153	33,279	98.8 %
Cash flow from financing activities	-11,796	-59,692	-80.2 %
Cash and cash equivalents as of March 31	27,792	35,172	-21.0 %

<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	Q1 2021	Q1 2022	Q1 2023	Q1 2024
Operative cash flow	77,015	74,518	60,281	88,278
Cash flow from operating activities	69,013	62,528	51,542	85,458
Cash flow from investing activities	-13,992	-24,916	16,980	-68,692
Free cash flow (1)	50,737	38,926	33,279	66,153
Cash flow from financing activities	-109,169	-46,068	-59,692	-11,796
Cash and cash equivalents as of March 31	52,752	41,360	35,172	27,792

<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 € 88,278k and were € 27,997k higher than in the previous year (March 2023: € 60,281k) due to the contingent purchase price derivative change and lower payments from the employee participation program. The main offsetting effect on net cash inflows is the consolidated net income, which was influenced by the above-mentioned special effects in the previous year.

In the reporting period, **net cash outflows from investing activities** amounted to € -68,692k and were above the corresponding prior-year figure (€ 16,980k). Payments from the increase in surplus liquidity invested with United Internet AG amounted to € -53,028k were € 84,616k higher than in the previous year. Investments in intangible assets and property, plant and equipment were slightly above the previous year's level at € -15,935k (March 2023: € -15,034k). Investments in servers were also up on the previous year (March 2024: € 12,933k; March 2023: € 11,686k).

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 the disposal of intangible assets and property, plant and equipment, including payments for lease liabilities. Free cash flow as at

March 2024 amounted to € 66,153k, compared to € 33,279k as at March 2023, mainly due to the significant increase in cash flow from operating activities.

**Financing activities** as of March 2024 are characterized by interest payments. Compared to the previous year, the long-term loan to United Internet AG was not repaid on a pro rata basis.

**Cash and cash equivalents** amounted to € 27,792k as of March 31, 2024, compared to € 35,172k as of March 31, 2023.

## Asset position

At € 1,667,621 thousand, total assets are slightly higher than the total assets as at December 31, 2023 (€ 1,596,265 thousand).

### Development of current assets

in €k	March 31, 2024	December 31, 2023	Change
Cash and cash equivalents	27,792	22,652	22.7 %
Trade accounts receivable	79,986	73,512	8.8 %
Receivables from related parties	117,498	63,094	86.2 %
Contract assets	9,226	8,235	12.0 %
Prepaid expenses	31,604	25,530	23.8 %
Other financial assets	25,917	28,313	-8.5 %
Income tax claims	8,156	2,722	199.6 %
Other non-financial assets	788	727	8.5 %
<b>Total current assets</b>	<b>300,967</b>	<b>224,785</b>	<b>33.9 %</b>

The € 76,182k increase in **current assets** is mainly due to the € 54,404k increase in **receivables from related parties**. This item includes cash pool receivables, which increased by € 53,028k as a result of the build-up of surplus liquidity invested at United Internet AG. In addition, **trade receivables** were € 6,474k higher and **deferred expenses** were € 6,074k higher than the respective balances at the end of the financial year.

### Development of non-current assets

in €k	March 31, 2024	March 31, 2023	Change
Investments in associated companies	4,011	4,279	-6.3 %
Other financial assets/Receivables from finance lease	3,528	3,612	-2.3 %
Property, plant and equipment	316,630	321,661	-1.6 %
Intangible assets	159,498	164,174	-2.8 %
Goodwill	827,665	826,271	0.2 %
Contract assets	21	9	138.0 %
Prepaid expenses	16,127	13,628	18.3 %
Deferred tax assets	39,173	37,846	3.5 %
<b>Total non-current assets</b>	<b>1,366,654</b>	<b>1,371,480</b>	<b>-0.4 %</b>

Overall, **non-current assets** are only slightly below the level at the end of the 2023 financial year. **Property, plant and equipment and intangible assets** decreased by € 5,031k. Depreciation and amortization of € 27,145k exceeded investments of € 15,935k **Goodwill** was higher than in the previous year due to exchange rates. Deferred tax assets were € 1,327k higher than in the previous year.

#### Development of current liabilities

in €k	March 31, 2024	December 31, 2023	Change
Trade accounts payable	76,328	89,227	-14.5 %
Liabilities to related parties	4,837	6,292	-23.1 %
Liabilities due to banks	9,458	1,125	740.7 %
Income tax liabilities	33,870	21,982	54.1 %
Contract liabilities	91,337	84,645	7.9 %
Other provisions	715	888	-19.5 %
Other financial liabilities	89,572	67,947	31.8 %
Other non-financial liabilities	25,327	26,009	-2.6 %
<b>Total current liabilities</b>	<b>331,443</b>	<b>298,115</b>	<b>11.2 %</b>

**Current liabilities** increased by a total of € 33,328k compared to the end of the 2023 financial year. **Other financial liabilities** increased by € 21,625k, which is mainly due to the higher subsequent measurement of a purchase price liability in connection with the acquisition of STRATO AG. The € 8,333k increase in **liabilities due to banks** results from interest payments to be made in the short term as part of the loan from a bank consortium.

#### Development of non-current liabilities

in €k	March 31, 2024	December 31, 2023	Change
Liabilities due to banks	796,760	796,462	0.0 %
Liabilities to related parties	350,000	350,000	0.0 %
Deferred tax liabilities	34,949	33,652	3.9 %
Contract liabilities	1,832	1,929	-5.0 %
Other provisions	3,522	3,262	8.0 %
Other financial liabilities	112,608	115,626	-2.6 %
<b>Total non-current liabilities</b>	<b>1,299,670</b>	<b>1,300,931</b>	<b>-0.1 %</b>

**Non-current liabilities** are essentially unchanged from the end of the financial year.

## Development of equity

in €k	March 31, 2024	December 31, 2023	Change
Issued capital	140,000	140,000	0.0 %
Reserves	-86,639	-122,222	-29.1 %
Currency translation adjustment	-16,992	-20,697	-17.9 %
Equity attributable to shareholders of the parent company	36,369	-2,919	n/a
Non-controlling interests	139	138	0.4 %
<b>Total equity</b>	<b>36,508</b>	<b>-2,781</b>	<b>n/a</b>

**Other reserves** increased mainly due to the addition of the consolidated profit for the first quarter of 2024 in the amount of € 34,115k. Overall, the Group's **total equity** increased by € 39,289k from € -2,781k as at December 31, 2023. In addition to the Group result, positive currency effects of € 3,705k contributed to this. Total equity is therefore positive at € 36,508k.

**Net debt** (i.e. the balance of liabilities to related parties and banks, receivables from related parties and cash and cash equivalents) decreased by € 60,700k from € 1,067,008k as of December 31, 2023 to € 1,006,308k as of March 31, 2024.

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

in €k	December 31, 2021	December 31, 2022	December 31, 2023	March 31, 2024
Balance sheet total	1,471,668	1,541,505	1,596,265	1,667,621
Cash and cash equivalents	49,520	26,440	22,652	27,792
Trade accounts receivable	49,526	66,628	73,512	79,986
Property, plant and equipment	271,782	322,286	321,661	316,630
Intangible assets	201,437	178,826	164,174	159,498
Goodwill	825,261	820,844	826,271	827,665
Liabilities due to banks	0	0	797,587	806,218
Liabilities to related parties	1,315,000	1,245,000	350,000	350,000
Issued capital	360	360	140,000	140,000
Equity	-231,708	-162,180	-2,781	36,508
Equity ratio	-15.7 %	-10.5 %	-0.2 %	2.2 %

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

IONOS Group SE successfully continued its growth in the first quarter of the 2024 financial year and further expanded its customer base. The number of customers increased by around 190,000 to 6.26 million (Q1 2023: 6.06 million).

Revenue increased by +5.4% in the first quarter of 2024 from € 353,794k in the previous year to € 372,969k, driven by rising revenue from successful cross-selling and upselling to existing customers and the continued positive development of new customer business.

Once again, web hosting, email and cloud products in particular made a positive contribution to growth. Revenue in the core business rose by 12.8% in the first quarter of 2024, while revenue in the lower-margin After-

market business fell short of the previous year (-19.4%) due to temporary phasing effects in connection with a new product launch.

EBITDA also developed very positively with an increase of 9.2% to € 101,303 thousand in the first quarter of 2024. This is due in particular to an increase in the gross margin from 46.0% in the first 3 months of 2023 to 51.2% in the first 3 months of 2024 and thus in the Group's gross profit by € +28,176 thousand (+17.3%) to € 190,927 thousand. In particular, economies of scale from the subscription business model and the declining share of the Aftermarket business in total revenue had a margin-increasing effect.

Adjusted EBITDA increased significantly in the first 3 months of 2024 by 22.7% from € 86,205k in the previous year to € 105,807k. The adjusted EBITDA margin increased from 24.4% in the first 3 months of 2023 to 28.4% in the first 3 months of 2024.

Based on the sales and earnings figures achieved in the first quarter of 2024 and in view of the investments made in sustainable corporate development, the Management Board believes that the company remains very well positioned for future corporate development.

After a positive start to the year, the Management Board of the IONOS Group is currently optimistic that it will achieve the targets set out in its planning and confirms its forecasts for the financial years 2024 and 2025 accordingly.

## Subsequent events

On April 2, 2024, the IONOS Group signed a variable framework agreement with the German Federal Information Technology Center (ITZBund) to set up a private enterprise cloud to be operated in the ITZ-Bund's data centers. The contract has a term of 5 years and IONOS SE expects revenues in the low three-digit million range.

Beyond this, no other events of particular significance occurred in the IONOS Group after the reporting date of March 31, 2024 that have a major impact on the net assets, financial position and results of operations of the company or the Group with an effect on accounting and reporting.

## 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. Risk and opportunity management regulates 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 view of all material risk areas and individual risks, taking into account interdependencies.

The overall risk and opportunity situation remained largely stable in the first three months of 2024 compared to the risk and opportunity reporting in the 2023 consolidated financial statements.

Compared to December 31, 2023, there was an increase in two risk areas in the first quarter of 2024.

In the "Recruitment market" segment, there was an increase from Low to Moderate, as a further tightening of the labor market for IT specialists is being felt.

The increase from Low to Moderate in the “Financing” risk area is due to the first-time recognition of the financial covenants risk in connection with a syndicated loan. The probability of occurrence is considered to be very low.

The risk area “Technical plant operation” was reduced from Significant to Moderate. This is due to the successful implementation of measures.

No risks to the IONOS Group's ability to continue as a going concern were identifiable in the reporting period or at the time this quarterly statement was prepared, neither from individual risk positions nor 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

Due to the successful start to the 2024 financial year, IONOS is confirming its forecasts for the 2024 and 2025 financial years.

Specifically, IONOS is planning currency-adjusted revenue growth of around 11% in the 2024 financial year (2023: € 1.423 billion). The adjusted EBITDA margin is expected to be around 28.5% (2023: 27.4%), resulting in adjusted EBITDA of around € 450 million (2023: € 390.3 million).

For the 2025 financial year, IONOS plans to maintain its strong sales growth and further increase 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 in 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, 2023, United Internet AG holds 63.8% and WP XII Venture Holdings II SCSp, Luxembourg / Luxembourg 21.2% of the shares in IONOS Group SE. A further 15.0% are in free float.

### Significant accounting, measurement and consolidated principles

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

The quarterly statement does not constitute interim financial reporting within the meaning of IAS 34. The accounting and valuation principles applied in this quarterly statement generally correspond to the methods applied in the previous year, with the exception of the mandatory new standards, and should be read in conjunction with the consolidated financial statements as at December 31, 2023.

### Change in the presentation of the cash flow statement

In order to better reconcile EBITDA and free cash flow, the Group has adjusted the cash outflows for interest in the statement of cash flows and no longer presents them in operating activities but in cash flows from financing activities. As interest expense is not included in EBITDA - which is a measure of operating profit and excludes interest, taxes, depreciation and amortization - the inclusion of interest paid in operating cash flow may distort the presentation of actual operating performance.

The reclassification of interest payments to the financing section of cash flow provides a better presentation of the company's financial results and achieves greater consistency between EBITDA and free cash flow. In addition, the interest portion has been eliminated from the repayments of lease liabilities, which now allows the entire outflow from interest payments to be presented in one line.

This measure thus contributes to a more transparent presentation of the Company's financial performance and clarifies the Company's ability to repay its debt.

### 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 7	Amendment: regulates the disclosure of supplier financing agreements	January 1, 2024	No

The first-time application of the new accounting standards did not have any significant impact on the quarterly financial 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 MARCH 31, 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 March 31, 2024 in €k**

	March 31, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	27,792	22,652
Trade accounts receivable	79,986	73,512
Receivables from related parties	117,498	63,094
Contract assets	9,226	8,235
Inventories	131	69
Prepaid expenses	31,604	25,530
Other financial assets	25,917	28,313
Other non-financial assets	657	658
Income tax claims	8,156	2,722
	<b>300,967</b>	<b>224,785</b>
<b>Non-current assets</b>		
Investments in associated companies	4,011	4,279
Receivables from finance leases	2,767	2,851
Other financial assets	761	761
Property, plant and equipment	316,630	321,661
Intangible assets		
Other intangible assets	159,498	164,174
Goodwill	827,665	826,271
Contract assets	21	9
Prepaid expenses	16,127	13,628
Deferred tax assets	39,173	37,846
	<b>1,366,654</b>	<b>1,371,480</b>
<b>Total assets</b>	<b>1,667,621</b>	<b>1,596,265</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade accounts payable	76,328	89,227
Liabilities to related parties	4,837	6,292
Liabilities due to banks	9,458	1,125
Income tax liabilities	33,870	21,982
Contract liabilities	91,337	84,645
Other provisions	715	888
Other financial liabilities	89,572	67,947
Other non-financial liabilities	25,327	26,009
	<b>331,443</b>	<b>298,115</b>
<b>Non-current liabilities</b>		
Liabilities due to banks	796,760	796,462
Liabilities to related parties	350,000	350,000
Deferred tax liabilities	34,949	33,652
Contract liabilities	1,832	1,929
Other provisions	3,522	3,262
Other financial liabilities	<b>112,608</b>	<b>115,626</b>
	1,299,670	1,300,931

	March 31, 2024	December 31, 2023
<b>Total liabilities</b>	<b>1,631,113</b>	<b>1,599,046</b>
<b>EQUITY</b>		
Issued capital	140,000	140,000
Reserves	-86,639	-122,222
Currency translation adjustment	<b>-16,992</b>	<b>-20,697</b>
Equity attributable to shareholders of the parent company	36,369	-2,919
Non-controlling interests	139	138
<b>Total equity</b>	<b>36,508</b>	<b>-2,781</b>
<b>Total liabilities and equity</b>	<b>1,667,621</b>	<b>1,596,265</b>

IONOS Group SE, Montabaur

**Consolidated statement of comprehensive income**

for the period from January 1 to March 31, 2024 in €k

	2024 January - March	2023 January - March
Revenue from contracts with customers	361,487	342,441
Revenue from contracts with related parties	11,482	11,353
<b>Total revenue</b>	<b>372,969</b>	<b>353,794</b>
Cost of sales	-182,042	-191,043
<b>Gross profit</b>	<b>190,927</b>	<b>162,751</b>
Selling expenses	-87,803	-84,870
General and administrative expenses	-24,624	-18,793
Impairment losses on receivables and contract assets	-4,671	-2,316
Other operating income / expenses	329	9,099
<b>Operating result</b>	<b>74,158</b>	<b>65,871</b>
Financial result	-24,398	4,860
Share of the profit or loss of associates accounted for using the equity method	-152	-11
<b>Pre-tax result</b>	<b>49,608</b>	<b>70,720</b>
Income taxes	-15,492	-14,891
<b>Net income</b>	<b>34,116</b>	<b>55,829</b>
thereof attributable to		
non-controlling interests	1	6
shareholders of IONOS Group SE	34,115	55,823
Result per share of shareholders of IONOS Group SE (in €)		
basic	0.24	0.40
diluted	0.24	0.40
Weighted average of outstanding shares (in thousand units)		
basic	140,000	140,000
diluted	140,000	140,000
<b>Reconciliation to total comprehensive income</b>		
<b>Net income</b>	<b>34,116</b>	<b>55,829</b>
Items that may be reclassified subsequently to profit or loss		
Currency translation adjustment - unrealized	3,706	136
<b>Other comprehensive income</b>	<b>3,706</b>	<b>136</b>
<b>Total comprehensive income</b>	<b>37,822</b>	<b>55,965</b>
thereof attributable to		
non-controlling interests	1	6
shareholders of IONOS Group SE	37,821	55,959

IONOS Group SE, Montabaur

**Consolidated cash flow statement \***

for the period from January 1 to March 31, 2024 in €k

	2024 January - March	2023 January - March
Net income	34,116	55,829
<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 <sup>(1)</sup>	22,003	21,791
Depreciation and amortization of assets resulting from business combinations <sup>(1)</sup>	5,142	5,090
Employee expenses from share-based payment programs	1,671	1,517
Payments from share-based payment programs	0	-13,347
Share of the profit or loss of associates accounted for using the equity method	152	11
Distributed profits of associated companies	116	0
Other non-cash items from changes in deferred tax position	-31	-5,824
Income/Loss from the sale of intangible assets and property, plant and equipment	-1	-79
Non-cash change in purchase price derivative	8,324	-26,418
Interest expenses	16,786	21,711
<b>Operative cash flow</b>	<b>88,278</b>	<b>60,281</b>
Change in assets and liabilities		
Change in receivables and other assets	-8,879	-14,729
Change in inventories	-62	38
Change in contract assets	-1,003	32
Change in prepaid expenses	-8,573	-5,033
Change in trade accounts payable	-12,899	1,518
Change in receivables from/liabilities to related parties	-2,832	-13,877
Change in other provisions	-118	-42
Change in income tax liabilities	11,850	5,643
Change in other liabilities	13,101	12,706
Change in contract liabilities	6,594	5,005
<b>Change in assets and liabilities, total</b>	<b>-2,820</b>	<b>-8,739</b>
<b>Cash flow from operating activities</b>	<b>85,458</b>	<b>51,542</b>
<b>Cash flow from investing activities</b>		
Cash payments to acquire property, plant and equipment and intangibles	-15,935	-15,034
Cash receipts from sales of property, plant and equipment and intangibles	271	426
Settlement of contingent purchase price from acquisition of IONOS Cloud GmbH	0	0
Payments for the acquisition/capital increase of associated companies	0	0
Cash payments/receipts from the sale of other financial assets	-53,028	31,588
Payments within the framework of cash pooling	0	0
<b>Payments related to other financial assets</b>	<b>-68,692</b>	<b>16,980</b>

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	2024 January - March	2023 January - March
<b>Cash flow from financing activities</b>		
Payments to minority shareholders for increased shareholdings in InterNetX Holding GmbH	0	0
Dividend payments to non-controlling interests	77	33
Cash proceeds from loans	0	-30,000
Repayment of loans	-3,641	-3,655
Redemption of lease liabilities	-8,231	-26,070
<b>Payments for interest on loans</b>	<b>-11,796</b>	<b>-59,692</b>
<b>Cash flow from financing activities</b>	<b>4,971</b>	<b>8,830</b>
<b>Net decrease in cash and cash equivalents</b>	<b>22,652</b>	<b>26,440</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>169</b>	<b>-98</b>
<b>Currency translation adjustments of cash and cash equivalents</b>	<b>27,792</b>	<b>35,172</b>

\*: Prior year adjusted. The changes are described in the notes to the quarterly statement.

<sup>(1)</sup> Prior year adjusted

IONOS Group SE, Montabaur

**Consolidated statement of changes in equity**

for the period from January 1 to March 31, 2024 in €k

	Issued capital	Reserves	Currency translation adjustment	Equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
	€k	€k	€k	€k	€k	€k
<b>Balance as of January 1, 2023</b>	<b>360</b>	<b>-136,644</b>	<b>-26,019</b>	<b>-162,303</b>	<b>123</b>	<b>-162,180</b>
Net income	0	55,823	0	55,823	6	55,829
Other comprehensive income	0	0	136	136	0	136
<b>Total comprehensive income</b>	<b>0</b>	<b>55,823</b>	<b>136</b>	<b>55,959</b>	<b>6</b>	<b>55,965</b>
Capital increase from company funds	139,640	-139,640	0	0	0	0
Employee stock ownership program	0	-10,796	0	-10,796	0	-10,796
<b>Balance as of March 31, 2023</b>	<b>140,000</b>	<b>-231,257</b>	<b>-25,883</b>	<b>-117,140</b>	<b>129</b>	<b>-117,011</b>
<b>Balance as of January 1, 2024</b>	<b>140,000</b>	<b>-122,222</b>	<b>-20,697</b>	<b>-2,919</b>	<b>138</b>	<b>-2,781</b>
Net income	0	34,115	0	34,115	1	34,116
Other comprehensive income	0	0	3,706	3,706	0	3,706
<b>Total comprehensive income</b>	<b>0</b>	<b>34,115</b>	<b>3,706</b>	<b>37,821</b>	<b>1</b>	<b>37,822</b>
Capital increase from company funds	0	0	0	0	0	0
Employee stock ownership program	0	1,467	0	1,467	0	1,467
<b>Balance as of March 31, 2024</b>	<b>140,000</b>	<b>-86,640</b>	<b>-16,991</b>	<b>36,369</b>	<b>139</b>	<b>36,508</b>



## FINANCIAL CALENDAR

<b>March 21, 2024</b>	Publication of the 2023 annual financial statement
<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>	6-Month Report 2024
<b>November 12, 2024</b>	Quarterly Statement Q3 2024

## IMPRINT

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IONOS Group SE  
Elgendorfer Str. 57  
56410 Montabaur  
Deutschland  
[www.ionos-group.com](http://www.ionos-group.com)

### **Contact**

Investor Relations  
E-Mail: [investor-relations@ionos-group.com](mailto:investor-relations@ionos-group.com)

Registergericht: Montabaur HRB 25386

### **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 the Quarterly Statement. IONOS points out that the use of the masculine form is to be understood explicitly as gender-independent.

Produced in-house with Firesys

### **Disclaimer**

This Interim Statement contains certain 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, as well as other factors which IONOS often cannot influence but which might cause our actual results to be materially different from any future results expressed or implied by these 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

**IONOS Group SE**

Elgendorfer Straße 57  
56410 Montabaur

[www.ionos-group.com](http://www.ionos-group.com)