

IONOS

FY 2023 Results & Outlook



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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 cashflow. Information on the use, definition and calculation of these performance measures is provided in the Annual Consolidated Financial Statements 2023 of IONOS Group SE or is explained in an associated footnote.

Agenda



Achim Weiss

CEO



Britta Schmidt

CFO

- Business Update
- AI @IONOS
- Brand and ARPU growth
- Financials
- Outlook
- ESG
- Summary



¹ Company Data Analysis based on the number of domains listed for sale on sedo.com
² excl. Aftermarket

FY 2023 confirmed the strength, sustainability of growth, profitability and cash generation

IONOS

Revenue growth

+10.1%

Adj. EBITDA margin

27.4%

Customers

+190k to 6.19mn

ARPU growth

+5%

Beyond the IONOSphere - Our performance drivers

€1.42bn total revenue (10% yoy growth)
High revenue visibility and predictability¹

~80% recurring revenues²
Subscription-based business model

€390mn adj. EBITDA³(27.4% margin)
Attractive profitability

~90% cash conversion rate⁴
Highly cash generative

~6.19mn customers
Unparalleled European SMB customer access

Leverage 2.7x⁵
Deleveraging by ~0.5x per year going forward

€ 14.70 ARPU(+5.0% yoy)
Strong cross and up-selling

~NPS of >32⁷
Quick and predictable recovery of CAC

14x+ CLTV/CAC⁸
Targeted and efficient customer acquisition

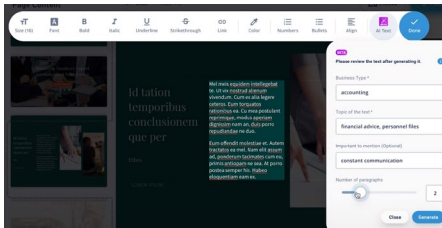
~12 months payback⁹
Quick and predictable recovery of CAC

¹Refers to webhosting market share based on company data analysis and HostAdvice; ²Equivalent to total revenue excl. revenue from Aftermarket business (sedo); ³FY2023, adj. EBITDA is defined as EBITDA adjusted for either non-recurring items or non-operating items; ⁴Defined 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; ⁵Leverage 31.12.2023, defined as Net Debt / LTM adj. EBITDA; ⁶ Based on external revenues excl. Aftermarket; ⁷NPS as per Q4 2023; ⁸Refers 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

AI @IONOS - pioneering the future

Customer facing AI products & features

- AI-powered MyWebsite ✔
- AI assisted newsletter tool ✔
- AI-powered website creation ✔
- AI Model Hosting ✔ Private Beta
- AI based domain search ✔
- AI based features ✔
- Up- and cross selling ✔
- Customer interaction ✔

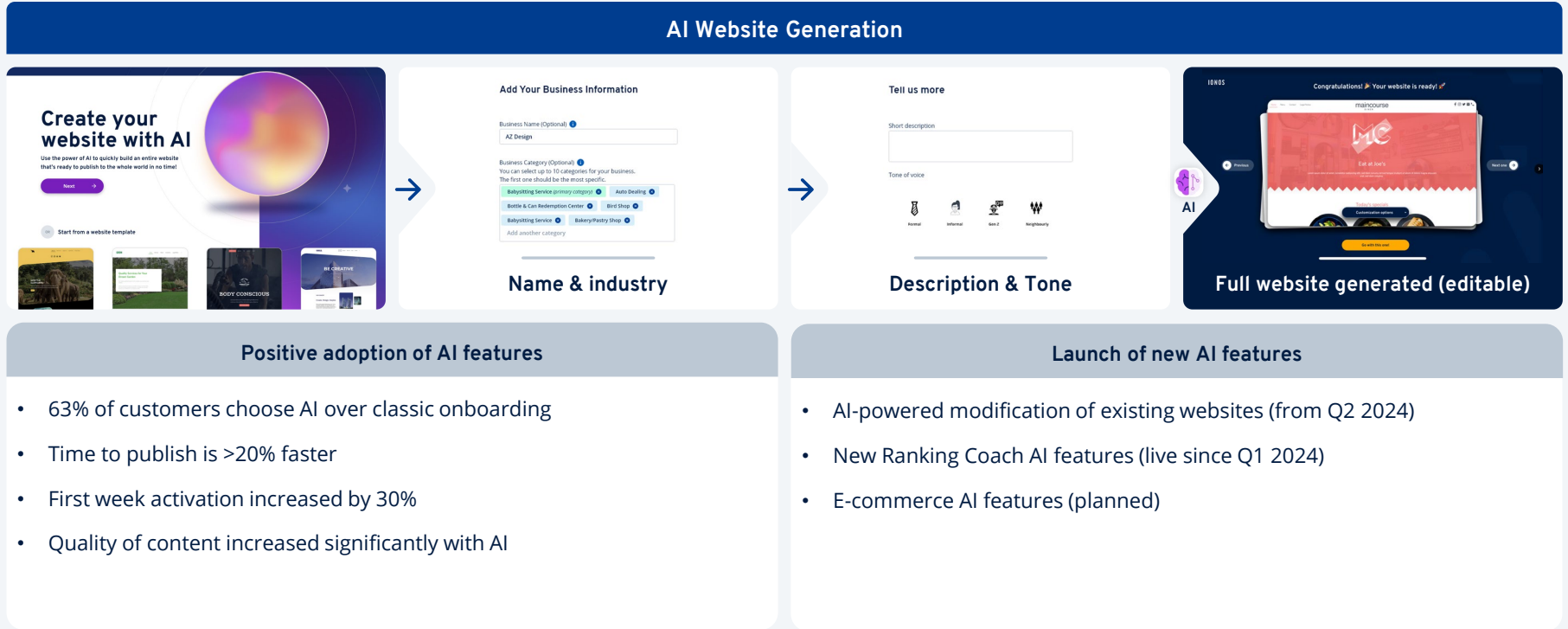


Internal use of AI

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



AI-powered website creation



Elevating Customer Care with AI

IONOS AI Digital Assistant

- Our newly launched IONOS AI Digital Assistant improves customer interactions by resolving 50% of incoming customer queries
- Huge potential for further improvements and streamlined operations
- The new AI Digital Assistant, combined with our Personal Consultant - available 24/7, 365 days a year – further enhances our capabilities to deliver superior customer experience and up- and cross-selling
- Available internally for customer support and externally
- This unique offering is unmatched in the market



Hey, I'm the AI Assistant of IONOS

How can I help you?

Here are a few examples to get you started:

✉ Email

How can I add my email address to Outlook?

🌐 Domain

How can I connect my domain to MyWebsite?

🖥️ Hosting

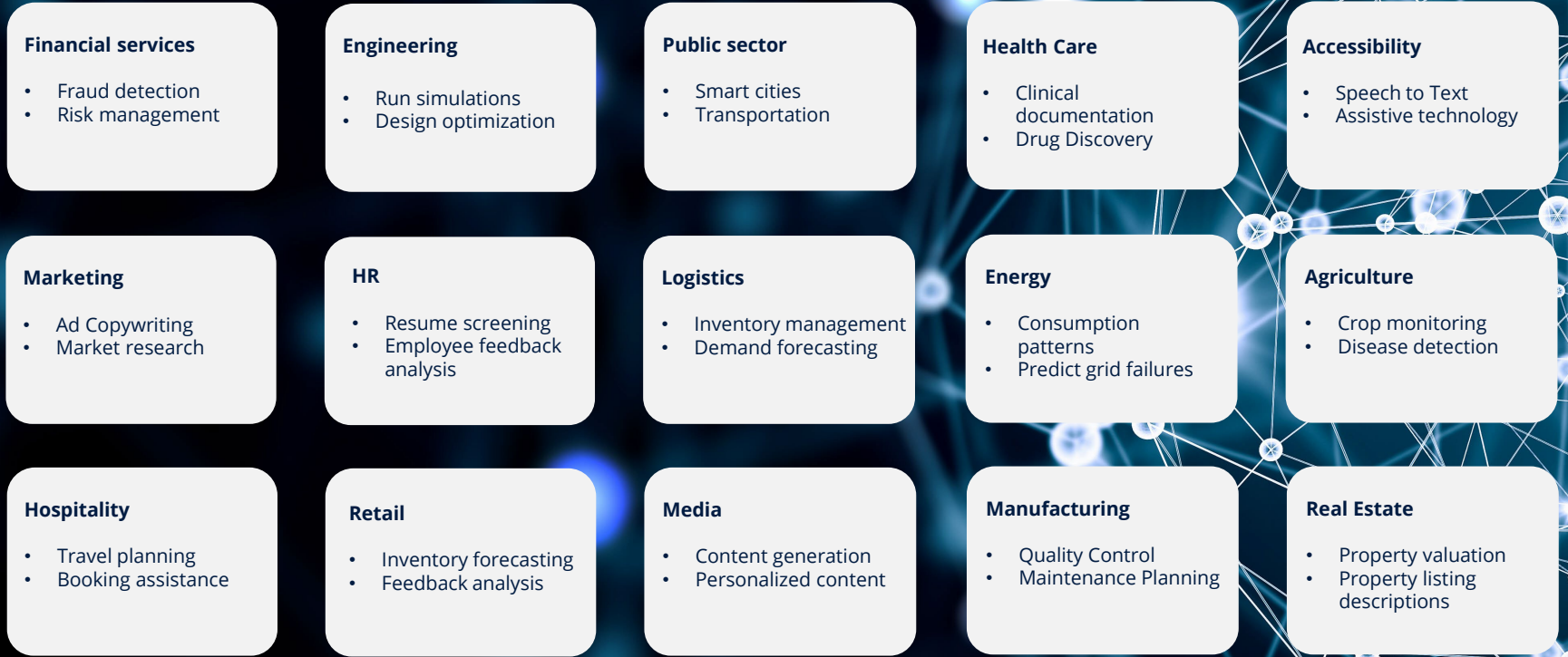
How can I change the default SSH port?

The use of the AI Assistant requires your data to be processed. More details: <https://openai.com/policies>

Ask me anything...



Surging Demand for AI Inference Products Across Industries



Making AI accessible to SMBs with European Data Protection

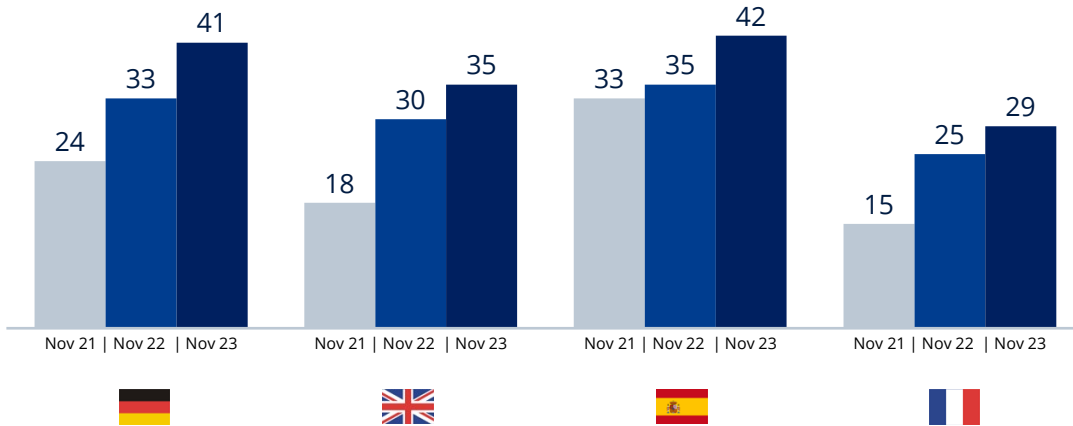
Product

- Hosting of multiple open-source AI Models as a Service, enabling customers to use open-source LLMs, text-to-image and text-to-speech models
- Use of AI Models with own data (data and documents are stored in vector DB) in a safe environment (German/European Data Centers and compliant with EU data protection regulations & trade secret-aware)
- Closed beta available for selected cloud customers since Q3 2023 – general availability planned for Q2 2024
- RAG support: additional out-of-the box Retrieval Augmented Generation (RAG) solution available as additional feature
- We expect a significant boost in awareness for our Cloud Solutions products and additional customer growth



Brand investment has already started to pay off

Brand awareness¹

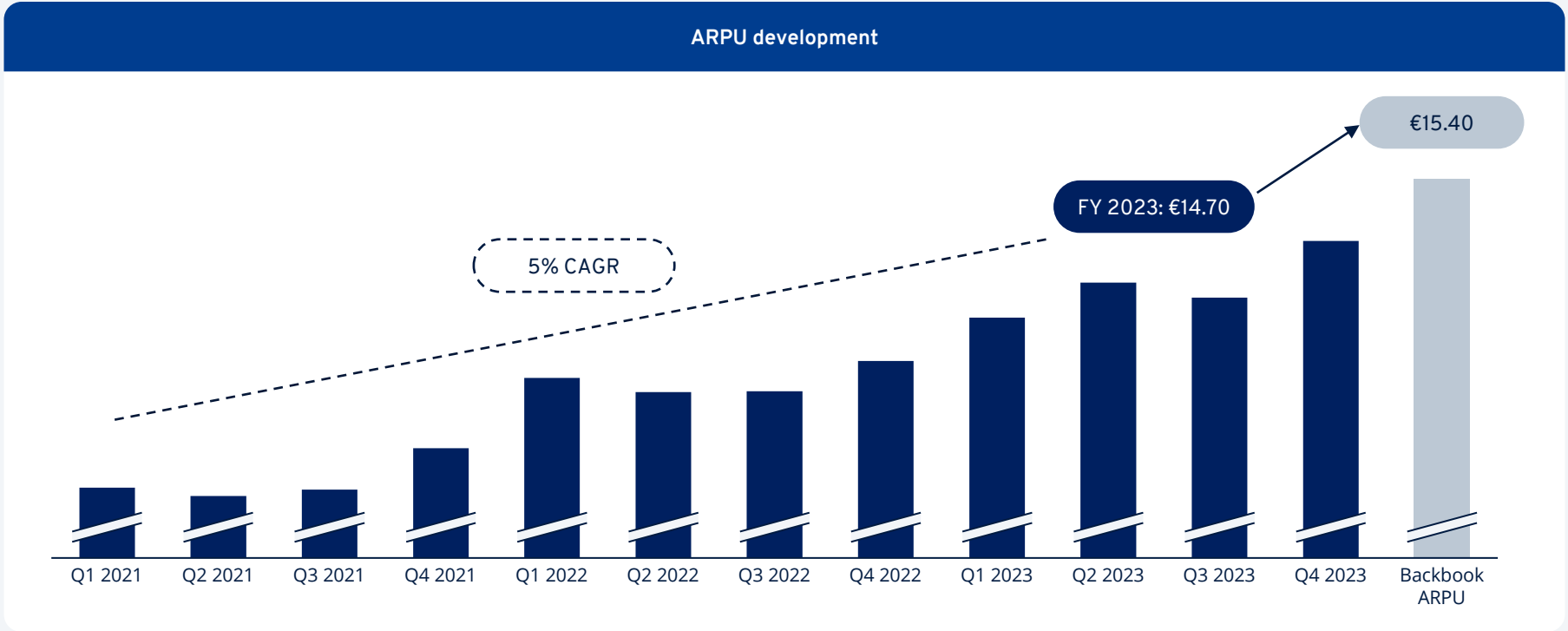


- Brand investments further contributing to brand awareness
- Positive impact on all sales channels
- Brand investments of €67mn in FY 2023 (prev. year: €54mn), decreasing as % of total revenue going forward
- Investments will continue to crystalize value in the coming years

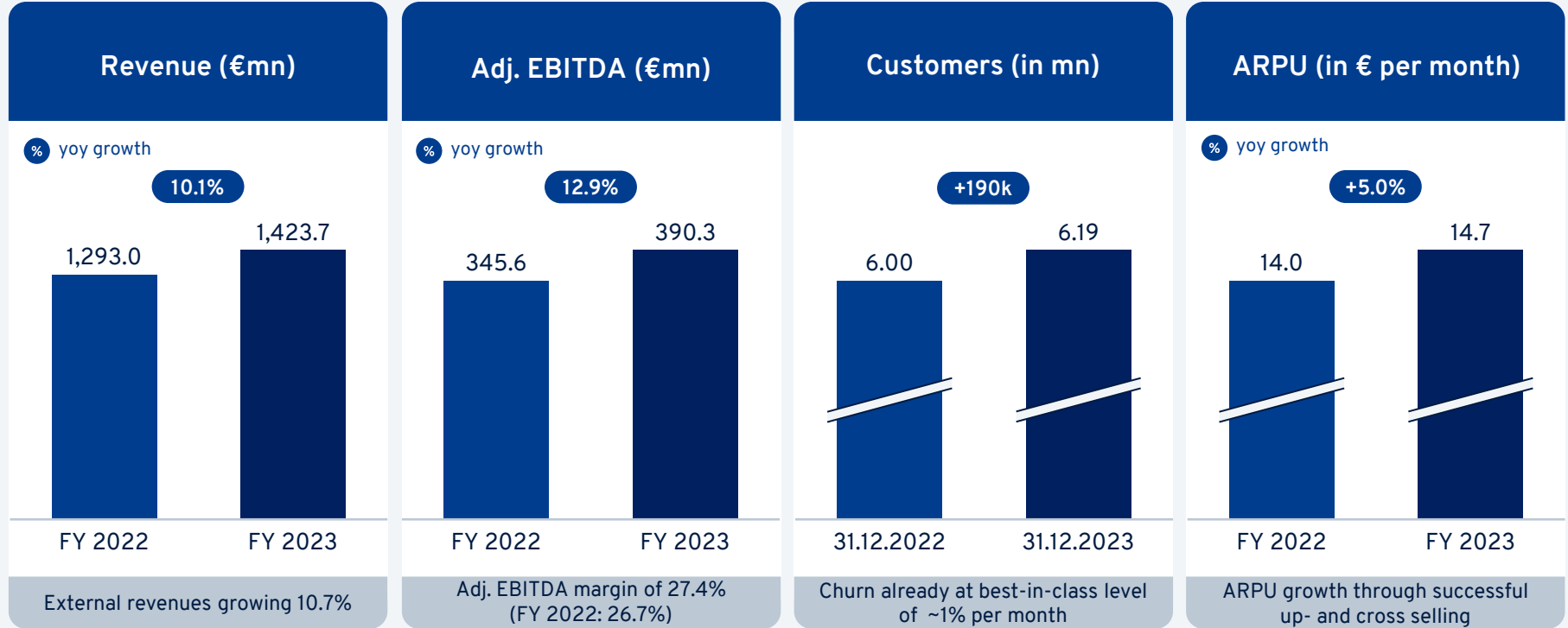


¹ Brand awareness (aided) for the IONOS brand, based on Interrogare survey - brand awareness data for self-employed/SMBs

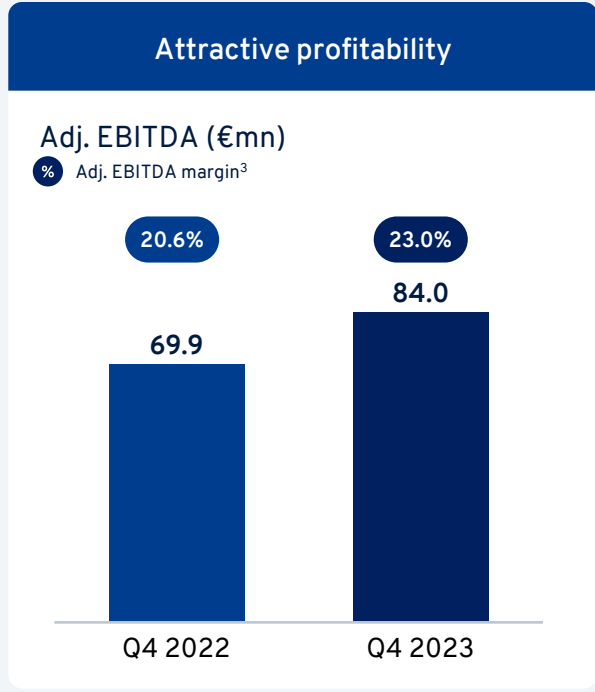
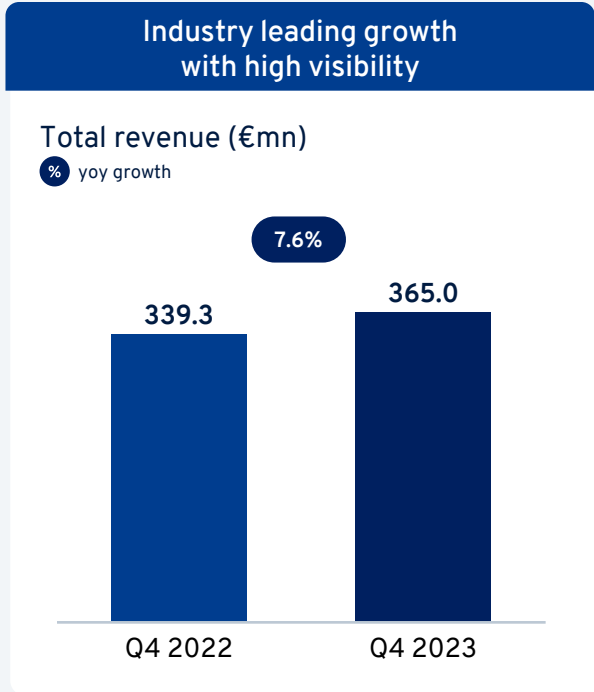
Continued ARPU Growth - charting the path to success



Successful FY 2023



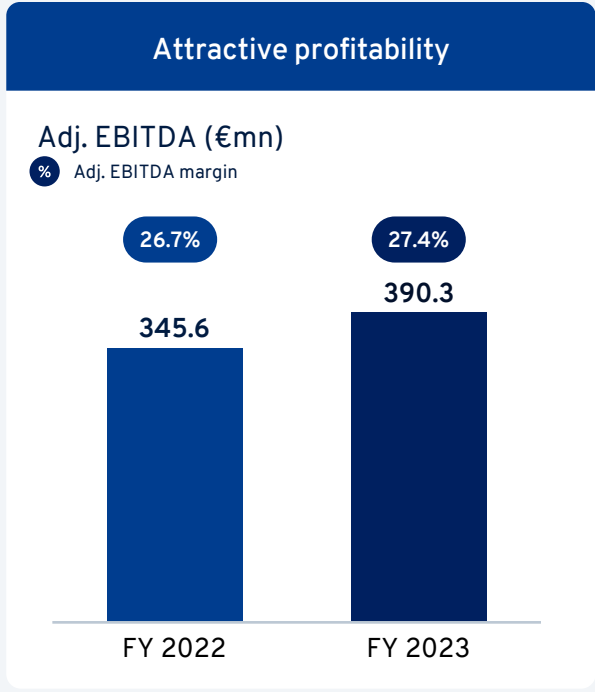
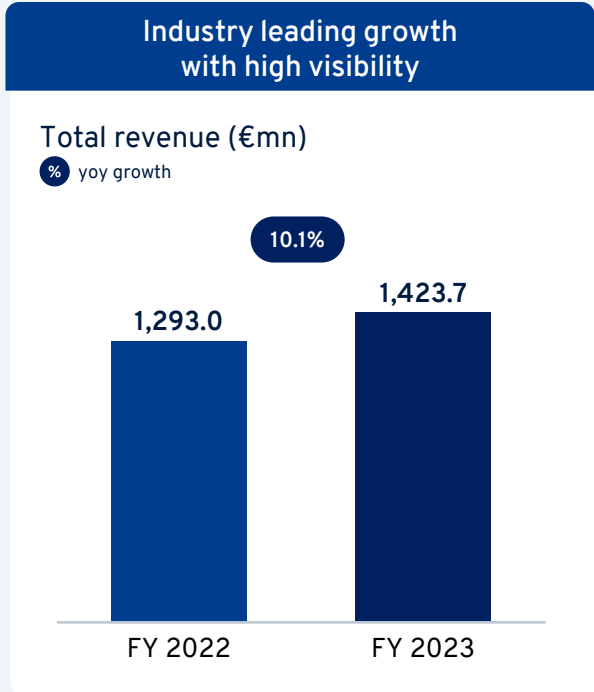
Strong Q4 2023 performance



Commentary

- Revenue growth of 7.6% yoy (revenue growth excl. Aftermarket at 8.9% yoy)
- EBITDA margin increased to 23.0%
- Marketing investments at the same level as in the previous year – Q4 is typically the quarter with the highest marketing investments

...translating into a very strong FY 2023



- ### Commentary
- Revenue growth of 10.1% yoy (revenue growth excl. Aftermarket at 7.0% yoy)
 - Brand investments of €67mn (prev. year: €54mn), decreasing as % of total revenue going forward
 - Total marketing investments in FY 2023 at the same level as in the prev. year
 - 27.4% EBITDA margin (prev. year 26.7%), driven by higher gross margins from product mix effects and economies of scale (despite 0.3 percentage points margin dilution from Aftermarket growth)

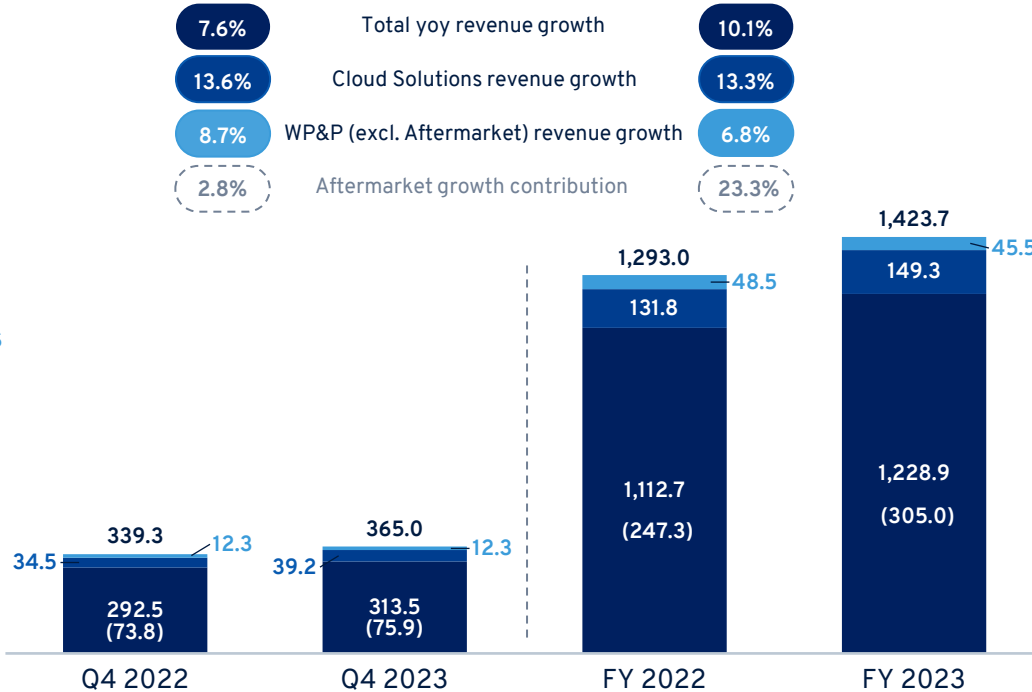
All business areas contributing to strong and sustainable revenue growth

Total revenue
(in €mn)

HOSTING SERVICES
TO UI GROUP
COMPANIES

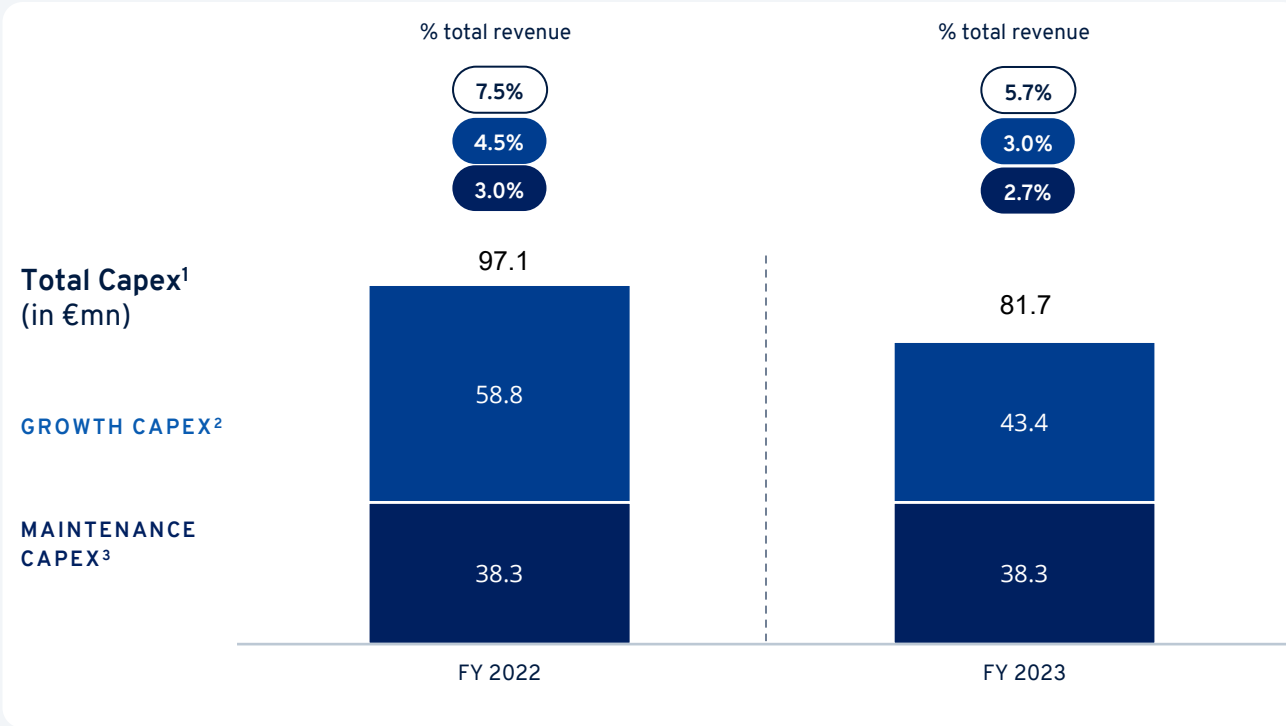
CLOUD SOLUTIONS

WEB
PRESENCE &
PRODUCTIVITY
(o/w Aftermarket)



- Web Presence & Productivity with solid growth of 10.4% in FY 2023 (+11.1% at constant currency)
- Web Presence & Productivity excl. Aftermarket with 6.8% yoy in FY 2023 (+7.1% at constant currency)
- Cloud Solutions growing 13.3% in FY 2023 (+13.6% at constant currency)

Well invested asset base with low and predictable maintenance capex requirements



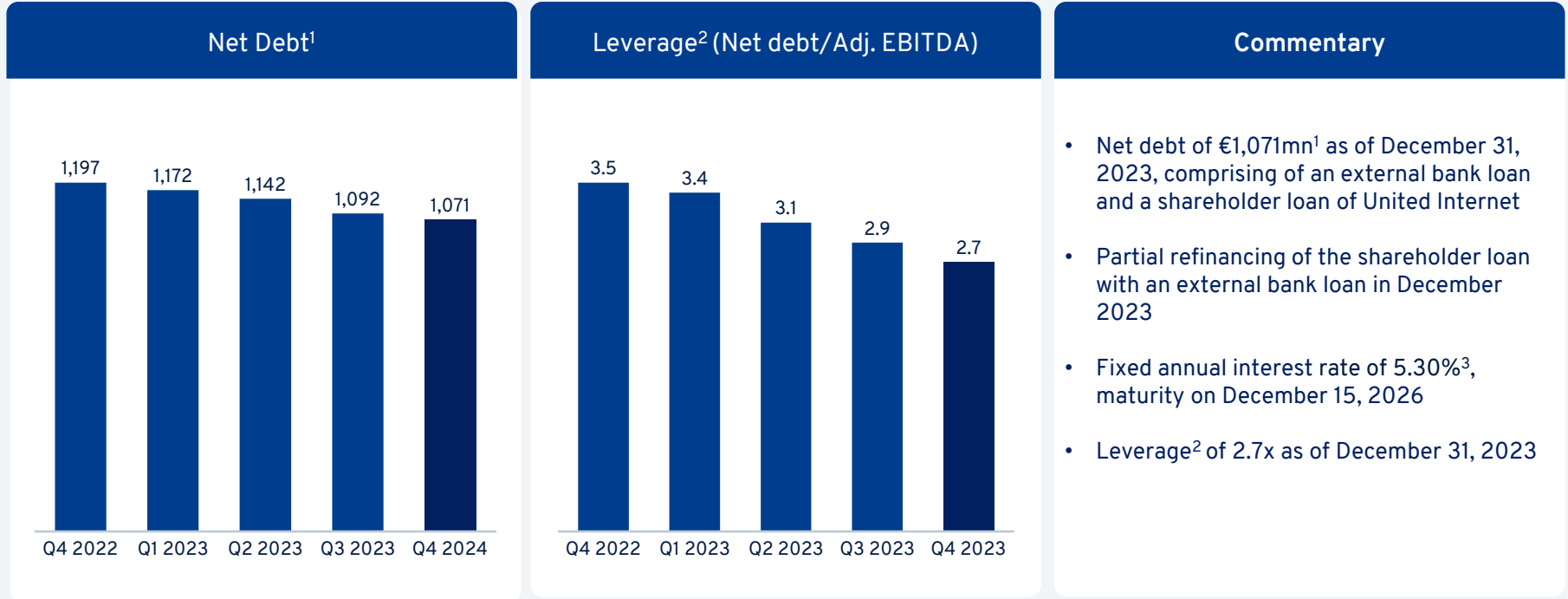
- Total Capex as % of total revenue decreased to 5.7% (prev. year: 7.5%)
- Low and predictable maintenance capex requirements
- Majority of growth capex is related to Cloud Solutions
- Expected CAPEX for FY 2024E: ~€100mn (CAPEX/total revenue of ~6-7%)

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



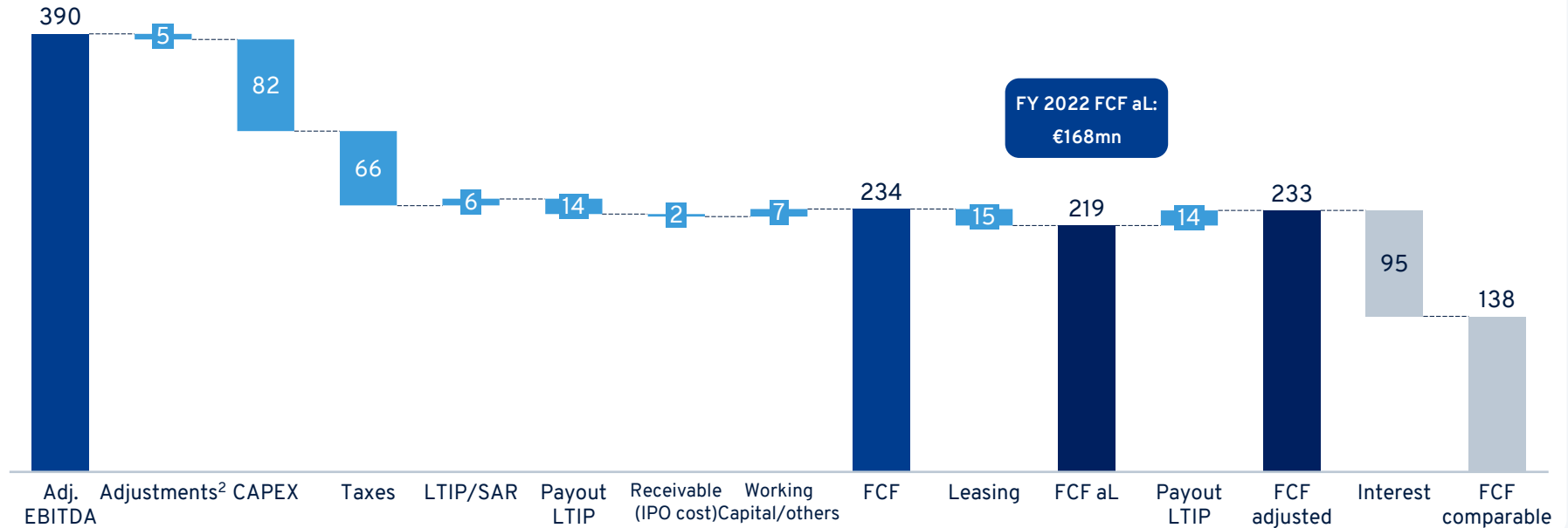
¹ Net Debt is the sum of liabilities to banks (31.12.2023: €800mn), non-current liabilities to related parties (31.12.2023: €350mn) and current liabilities to related parties (31.12.2023: €6mn), less receivables from related parties (31.12.2023: €63mn), less cash and cash equivalents (31.12.2023: €23mn) at the end of the period;

² Calculated as Net Debt / Adj. EBITDA LTM

³ as of 31.12.2023, calculated as weighted average interest rate

Strong and highly predictable Free Cash Flow generation

FY 2023 adjusted EBITDA to (adjusted) Free Cash Flow¹ (FCF) bridge (in €mn)



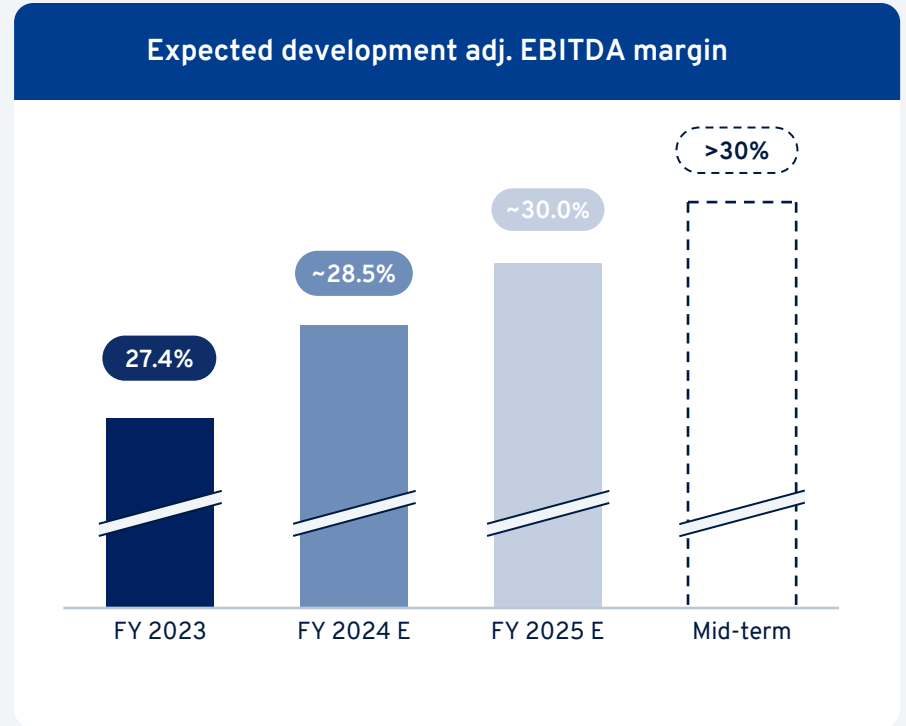
¹ The cash flow statement was changed: Interest payments were reclassified from cash flows from operating activities to cash flows from financing activities. The changes are explained in more detail in the Group Annual Report 2023;

² 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;

³ Adjustments for either non-recurring items or non-operating items (i.e. IPO costs, LTIP, stand-alone costs)

New guidance for 2024 and 2025

| | FY 2023 | | FY 2024E ¹ |
|-----------------------------|---------|---|-----------------------|
| Total Revenue | 10.1% | ➔ | ~11% |
| Web Presence & Productivity | 10.4% | ➔ | ~10 - 12% |
| Cloud Solutions | 13.3% | ➔ | ~15 - 17% |
| Adjusted EBITDA margin | 27.4% | ➔ | ~28.5% |



¹ Guidance for revenue is based on constant currency

Our new Climate Strategy 2030 - we are highly committed to environmental sustainability

Data centers

- ✓ 100% renewable electricity sourced long-term
- ✓ >55% reduction in emissions by 2030 relative to 2019
- ✓ 50% data centers with low-carbon energy generation onsite (photovoltaics)
- ✓ Offset 100% unavoidable emissions annually whilst committing to reduce further over longer-term
- ✓ Commit to measuring our carbon footprint and reducing indirect carbon emissions in areas of most significant impact (Scope 3)
- ✓ 90% data center suppliers by spend commit to climate targets by 2030 (Scope 3)

Offices

- ✓ 100% renewable electricity in offices by 2030
- ✓ 100% electric vehicles in company carpool by 2030



Summary & conclusion



IONOS

RESILIENCE

Sustainable and resilient business with high recurring revenues

CAPEX

High visibility in CAPEX needs for the coming years, given well-funded asset base

AFTERMARKET

Slow-down of Aftermarket growth is anticipated and will dilute the EBITDA margin less in the future

GROWTH INVESTMENTS

Brand investments expected to peak in FY 2023 and to stay at this level, which will support margin expansion going forward

CLOUD

Opportunity for future growth with majority of the investments already made

PRODUCTS

Product portfolio re-designed for cross- and upsell and seamless expansion

COMPETITION

Competitive landscape: IONOS is ready to take share

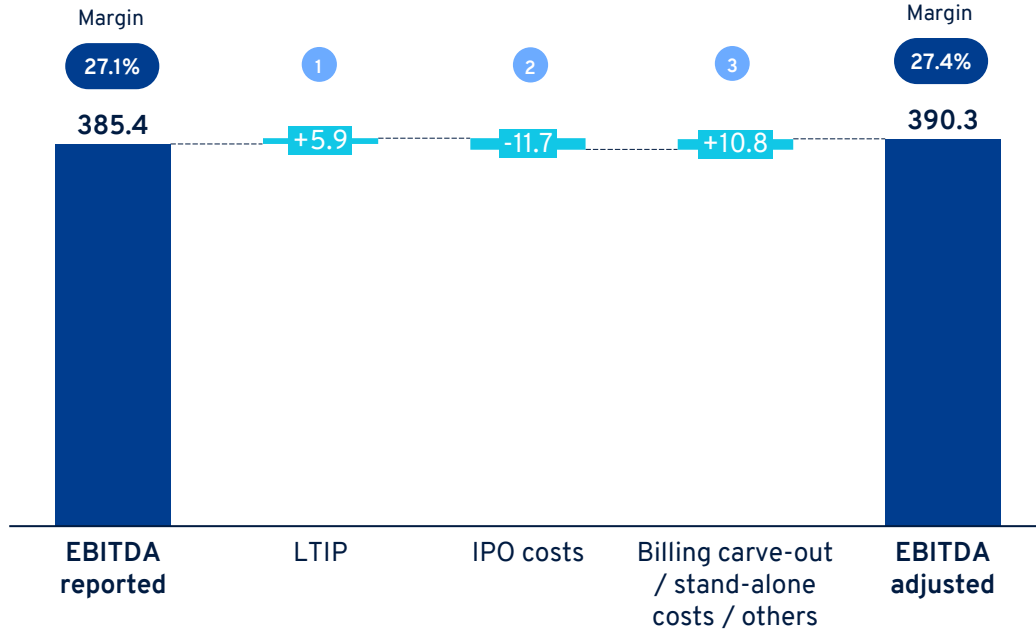
GROWTH POSITION

We are very well positioned for future growth

Appendix

EBITDA to adj. EBITDA bridge

FY 2023 EBITDA, adjustments and adj. EBITDA (in €mn)



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

Financial Overview

| in €mn | Q4 2022 | Q4 2023 | Change yoy | FY 2022 | FY 2023 | Change yoy |
|---|---------|---------|------------|---------|---------|------------|
| Total Revenue | 339.3 | 365.0 | +7.6% | 1,293.0 | 1,423.7 | +10.1% |
| Adj. gross profit ¹ | 216.0 | 241.1 | +11.6% | 844.3 | 928.4 | +10.0% |
| Adj. EBITDA | 69.9 | 84.0 | +20.1% | 345.6 | 390.3 | +12.9% |
| EBIT | 34.0 | 52.6 | +54.7% | 208.0 | 277.5 | +33.4% |
| Adjusted EBT (excl. non-cash valuation effect from a contingent purchase price liability) | 7.5 | 32.2 | +330.8% | 114.1 | 192.4 | +68.6% |
| Adjusted EPS in €/share (excl. non-cash valuation effect from a contingent purchase price liability) | 0.04 | 0.22 | +425.3% | 0.54 | 1.08 | +99.4% |

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

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