

PRESS RELEASE

United Internet gets off to good start in 2023

- Customer contracts: + 240,000 to 27.70 million contracts
- Sales: + 6.6% to EUR 1.538 billion
- EBITDA: - 3.4% to EUR 319.0 million
- 2023 guidance confirmed

Montabaur, May 10, 2023. United Internet AG got off to a good start in its fiscal year 2023. In the first quarter of 2023, the company continued to make investments in new customer contracts and the expansion of existing customer relationships, and thus in sustainable growth. The total number of fee-based customer contracts increased by 240,000 to 27.70 million contracts. 90,000 new contracts were added in the Consumer Access segment and 110,000 in the Business Applications segment. A further 40,000 contracts were gained in the Consumer Applications segment. Due to seasonal effects, ad-financed free accounts were 570,000 down on December 31, 2022 at 39.74 million.

Sales grew by 6.6% in the first quarter of 2023, from EUR 1,443.7 million in the previous year to EUR 1,538.3 million.

As in the first quarter of 2022, earnings in the first quarter of 2023 were impacted by special items in the form of non-cash valuation effects from derivatives and costs for the IPO of IONOS Group SE. The valuation effects from derivatives amounted to EUR +0.8 million in the prior-year period and EUR -4.5 million in the first quarter of 2023. In the same period last year, IPO costs of EUR -0.9 million were incurred, while in the first quarter of 2023 net total income of EUR +0.5 million was recognized. At Group level, IPO costs in the first quarter of 2023 were offset by proceeds from the contractually agreed prorated assumption of IPO costs by IONOS co-owner Warburg Pincus.

Without consideration of these special items, earnings developed as follows in the first quarter of 2023: EBITDA fell as expected by 3.4%, from EUR 330.1 million in the previous year to EUR 319.0 million. This figure includes strongly increased expenses for the rollout of 1&1's mobile communications network (EUR -10.9 million higher than Q1 2022) and marketing expenses brought forward for IONOS (EUR -9.9 million higher than Q1 2022) due to the changed timing of IONOS campaign planning. In addition, EBIT was burdened by an increase in depreciation of EUR 13 million on investments in the expansion of 1&1 Versatel's fiber-optic network and the rollout of 1&1's mobile network. As a result, EBIT fell by 10.2% from EUR 210.3 million to EUR 188.9 million. This increase in depreciation – mainly due to the operational launch of 1&1's mobile network – is expected to be offset by planned cost savings on advance services from Q4 2023.

Earnings per share (EPS) declined from EUR 0.55 to EUR 0.43. This was mainly due to increased depreciation on capital expenditures (EPS effect: EUR -0.06) and a financial result influenced by rising interest rates (EPS effect: EUR -0.05).

Outlook 2023

On completion of the first quarter, United Internet can confirm its guidance for 2023 and continues to expect an increase in consolidated sales for the year as a whole to approx. EUR 6.2 billion (prior year: EUR 5.915 billion). EBITDA is likely to be on a par with the previous year (prior year: EUR 1.272 billion). This figure includes approx. EUR -120 million (prior year: EUR -52 million) for the rollout of 1&1's mobile network. Due in particular to the network rollout and the expansion of the fiber-optic network to connect the 5G antennas and provide coverage in additional expansion areas, capital expenditures (excluding possible M&A transactions) are expected to increase to approx. EUR 800 million (prior year: EUR 681 million).

An overview of all key figures and the Interim Statement Q1 2023 are available online at www.united-internet.de.

About United Internet

With over 27 million fee-based customer contracts and around 40 million ad-financed free accounts, United Internet AG is a leading European internet specialist. At the heart of United Internet is a high-performance "Internet Factory" with 10,500 employees, of which around 3,700 are engaged in product management, development and data centers. In addition to the high sales strength of its established brands (such as 1&1, GMX, WEB.DE, IONOS, STRATO, and 1&1 Versatel), United Internet stands for outstanding operational excellence with over 67 million customer accounts worldwide.

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Note

In the interests of clear and transparent reporting, the annual financial statements and interim statements of United Internet AG, as well as its ad-hoc announcements pursuant to Art. 17 MAR, contain additional financial performance indicators to those required under International Financial Reporting Standards (IFRS), such as EBITDA, EBITDA margin, EBIT, EBIT margin and free cash flow. Information on the use, definition and calculation of these performance measures is provided in the Annual Report 2022 of United Internet AG on page 59.