

PRESS RELEASE

United Internet publishes final figures for first half-year 2024

- Customer contracts: + 330,000 to 28.78 million contracts
- Sales: + 2.8% to EUR 3.100 billion
- EBITDA: - 1.0% to EUR 662.3 million due to EUR -70.2 million higher start-up costs for 1&1 mobile network (compared to prior-year period)
- Guidance 2024: sales approx. EUR 6.4 billion, EBITDA approx. EUR 1.38 billion, cash capex 15-25% up on previous year

Montabaur, August 8, 2024. United Internet AG has published its final performance figures for the first half of 2024. The Company had already announced preliminary half-year figures and downgraded its full-year guidance on August 2, 2024.

In the first half of 2024, the total number of fee-based customer contracts increased by 330,000 to 28.78 million contracts. Of this amount, 90,000 contracts were added in the Consumer Access segment and 130,000 contracts in the Business Applications segment. A further 110,000 contracts were gained in the Consumer Applications segment.

Sales grew by 2.8% in the first half of 2024, from EUR 3,014.2 million in the previous year to EUR 3,099.9 million. This merely moderate sales growth was mainly due to a decline in hardware revenues (especially smartphones) in the Consumer Access segment (EUR -37.5 million compared to H1 2023) as well as lower after-market sales in the Business Applications segment (EUR -18.8 million compared to H1 2023). These low-margin hardware and after-market revenues have only a very minor impact on earnings.

EBITDA in the first half of 2024 amounted to EUR 662.3 million (prior year: EUR 668.7 million). This figure includes increased expenses for the rollout of 1&1's mobile network of EUR -111.0 million (prior-year period: EUR -40.8 million), of which EUR -14.3 million related to out-of-period expenses from subsequent billing for the network rollout in 2022 and 2023.

In addition to network rollout costs and out-of-period expenses, EBIT was additionally burdened by increased depreciation of EUR -257.9 million (H1 2023: EUR -204.7 million) resulting in particular from investments in the expansion of 1&1 Versatel's fiber-optic network and 1&1's mobile network. As a result, it amounted to EUR 347.4 million (H1 2023: EUR 407.1 million).

Adjusted for a non-cash writedown on the investment in Kublai / Tele Columbus (EPS effect: EUR -0.99), EPS declined from EUR 0.83 to EUR 0.61. In addition to the development of EBIT (EPS effect: EUR -0.15), this was due to a lower result from associated companies (EPS effect: EUR -0.04), as well as increased interest expenses (EPS effect: EUR -0.03).

Cash capex in the first half of 2024 amounted to EUR 284.4 million (prior year: EUR 301.3 million).

Outlook 2024

On August 2, 2024, United Internet adjusted its full-year guidance and now expects sales of approx. EUR 6.4 billion in 2024 (previous guidance: approx. EUR 6.5 billion; 2023: EUR 6.213 billion). EBITDA is expected to amount to approx. EUR 1.38 billion, including out-of-period expenses of EUR -14.3 million, or approx. EUR 1.39 billion without out-of-period expenses (previous guidance: approx. EUR 1.42 billion; 2023: EUR 1.30 billion).

Cash capex is likely to be 15-25% above the prior-year figure (previous guidance: 10-20% above the prior-year figure; 2023: EUR 756 million). This increase is due to the establishment of the Company's own stock of network components, which were previously stored by expansion partners.

An overview of all key figures and the Half-year Financial Report 2024 are available online at www.united-internet.de.

About United Internet

With over 28 million fee-based customer contracts and around 39 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 11,000 employees. 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.

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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 2023 of United Internet AG on page 58.