

PRESS RELEASE

United Internet with successful fiscal year 2023

- Customer contracts: + 1.03 million to 28.49 million contracts
- Sales: + 5.0% to EUR 6.213 billion
- EBITDA: + 2.2% to EUR 1.300 billion, despite planned increased start-up costs for construction of 1&1 mobile network
- Dividend proposal: EUR 0.50 per share

Montabaur, March 21, 2024. United Internet AG can look back on a successful fiscal year 2023. In the reporting period, 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 was raised by 1.03 million to 28.49 million contracts. Of this amount, 480,000 contracts were added in the Consumer Access segment and 350,000 contracts in the Business Applications segment. A further 200,000 contracts were gained in the Consumer Applications segment.

Sales grew by 5.0% in the fiscal year 2023, from EUR 5,915.1 million in the previous year to EUR 6,213.2 million.

Earnings in both 2022 and 2023 were impacted by negative special items in the form of non-cash valuation effects from derivatives and the IPO costs of IONOS Group SE. Valuation effects from derivatives amounted to EUR -0.5 million in the prior-year period and EUR -6.3 million in the fiscal year 2023. For the IONOS IPO, costs of EUR -8.0 million were incurred in the prior-year period and EUR -1.7 million in the fiscal year 2023. At Group level, these IPO costs in 2023 include an opposing income amount from the contractually agreed prorated assumption of IPO costs by IONOS co-owner Warburg Pincus.

Without consideration of the aforementioned special items, earnings developed as follows in the fiscal year 2023: EBITDA amounted to EUR 1,300.1 million and was thus EUR 28.2 million (2.2%) above the prior-year level (EUR 1,271.8 million). This figure includes a planned year-on-year increase of EUR -80.0 million in start-up costs for the rollout of 1&1's mobile network. In addition, EBIT was burdened by a rise of EUR -71.3 million in depreciation, especially on investments in the expansion of 1&1 Versatel's fiber-optic network and 1&1's mobile network. As a result, it fell by EUR -28.7 million (-3.6%) from EUR 790.7 million to EUR 762.0 million. Since the beginning of 2024, increased depreciation due to the operational launch of 1&1's mobile network is being offset by steadily rising cost savings on advance services.

In 2023, operating EPS declined from EUR 2.00 in the previous year to EUR 1.41. In addition to the decrease in EBIT (EPS effect: EUR -0.13), this was due to a lower result from associated companies (EPS effect: EUR -0.16), as well as the impact of increased interest rates on the financial result (EPS effect: EUR -0.30).

Due to the high level of investment, especially in the expansion of the fiber-optic network and the mobile network, cash capex (excluding M&A transactions) rose year on year by EUR 74.6 million to EUR 756.0 million (prior year: EUR 681.4 million).

Dividend

On the basis of the figures for 2023, the Management Board and Supervisory Board of United Internet AG will propose a dividend of EUR 0.50 per share (prior year: also EUR 0.50) at the Annual Shareholders' Meeting on May 17, 2024. Based on around 172.8 million shares with dividend entitlement at present, the total dividend payment for fiscal year 2023 would amount to approx. EUR 86.4 million. This dividend payout ratio would correspond to approx. 35.6% of adjusted consolidated net income for 2023 after minority interests (EUR 243.0 million).

Outlook 2024

In an ad-hoc announcement on December 19, 2023, United Internet AG announced its guidance for the fiscal year 2024. After concluding its fiscal year 2023, United Internet is now confirming this guidance and expects an increase in consolidated sales to approx. EUR 6.5 billion (2023: EUR 6.213 billion) as well as EBITDA growth to approx. EUR 1.42 billion (2023: EUR 1.300 billion). Cash capex is expected to be 10 – 20% above the prior-year figure (2023: EUR 756 million).

An overview of all key figures and the Annual Financial Statements 2023 are available online at www.united-internet.de.

About United Internet

With over 28 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 11,000 employees, of which around 3,800 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 68 million customer accounts worldwide.

Contact partner

United Internet AG
Lisa Pleiß
Phone +49 2602 96-1616
presse@united-internet.de

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 Financial Statements 2023 of United Internet AG on page 26.