

AD-HOC DISCLOSURE ACC. TO ART. 17 MAR

Preliminary results for fiscal year 2024 confirm sales guidance, earnings figures are unexpectedly impacted by higher expenses for the roll-out of the 1&1 mobile network

Montabaur, February 13, 2025. United Internet AG once again invested in the acquisition of new customer contracts and the expansion of existing customer relationships in fiscal year 2024, and thus in sustainable growth. The total number of fee-based customer contracts increased by 590,000 to 29.02 million contracts. Of this amount, 130,000 contracts were added in the “Consumer Access” segment and 220,000 contracts in the “Business Applications” segment. A further 240,000 contracts were gained in the “Consumer Applications” segment.

Based on preliminary figures, sales increased as projected by 1.9% to EUR 6.329 billion in fiscal year 2024 (prior year: EUR 6.213 billion). This merely moderate sales growth was mainly due to a decline in low-margin hardware sales (especially smartphones) in the “Consumer Access” segment (EUR -92.3 million compared to 2023).

Sales and earnings were unexpectedly impacted by the effects of a temporary outage of the new 1&1 mobile network in May 2024 as well as the accompanying increase in customer churn. In addition, the planned migration of existing customers to the 1&1 mobile network was temporarily significantly restricted due to an unsuspected undersizing of individual network components and could only be resumed on significant scale in the fourth quarter of 2024. As a result, the expected savings from the migration of existing customer contracts (on a wholesale basis) to the 1&1 mobile network could only be realized to a small extent in fiscal year 2024. In addition, there were temporarily higher expenses for the subsequent elimination of capacity bottlenecks identified as a result of the network outage.

The negotiations with the expansion partner who is responsible for the network outage and the undersizing which are expected to lead to compensation payments, could not yet be concluded. From today’s perspective, the negotiations will take some time and it is not yet expected that an agreement will be reached before the publication of the results for fiscal year 2024 scheduled for March 27, 2025.

Preliminary EBITDA amounted to EUR 1,294.0 million in fiscal year 2024 (prior year: EUR 1,292.1 million) and was subsequently below the company’s guidance (approx. EUR 1.38 billion). The EBITDA reflects the above-mentioned charges on earnings as well as the higher than expected increased expenses for the roll-out of the 1&1 mobile network. In total the expenses for the roll-out of the 1&1 mobile network amounted to EUR -265.3 million (prior year: EUR -132.4 million). This line item includes EUR 14.3 million out-of-period expenses for recalculations of the network roll-out with respect to 2022 and 2023.

Preliminary EBIT was – besides the start-up costs of the 1&1 mobile network and out-of-period expenses – additionally impacted by increased depreciation and amortization, in particular on investments in the expansion of the fibre optic network at 1&1 Versatel and the 1&1 mobile

network. Preliminary EBIT in 2024 amounted to EUR 638.7 million (prior year: EUR 754.0 million).

At the same time preliminary cash capex of EUR 774.6 million (prior year: EUR 756.0 million) fell short of the guidance due to phasing effects in connection with the expansion of the 1&1 mobile network and billing delays (guidance 2024: approx. 15-25% above the prior year).

About United Internet

With around 29 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.