

AD-HOC DISCLOSURE ACC. TO ART. 17 MAR

United Internet with preliminary results for the first half of 2024 and updated forecast for 2024

Montabaur, August 2, 2024. United Internet AG continued to invest in new customer contracts and the expansion of existing customer relationships and thus in sustainable growth in the first half of 2024. Overall, the number of fee-based customer contracts increased by 330,000 to 28.78 million contracts. This included 90,000 new contracts 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.

According to preliminary figures, sales in the first half of 2024 rose by 2.8% from EUR 3,014.2 million in the same period of the previous year to EUR 3,099.9 million. The only moderate increase in sales was primarily due to lower hardware sales (especially smartphones) in the “Consumer Access” segment (EUR -37.4 million compared to H1 2023) and lower Aftermarket sales in the “Business Applications” segment (EUR -18.8 million compared to H1 2023). Hardware and Aftermarket sales are low-margin and only have a very minor impact on earnings.

EBITDA amounted to EUR 662.3 million in the first half of 2024 (previous year: EUR 668.7 million). This includes increased expenses for the expansion of the 1&1 mobile network amounting to EUR -111.0 million (previous year: EUR -40.8 million), thereof EUR 14.3 million in out-of-period expenses for recalculations for the network expansion for 2022 and 2023.

In addition to the costs of the network expansion and expenses relating to other periods, EBIT was also impacted by increased depreciation and amortization of EUR 257.9 million (previous year: EUR -204.7 million), particularly on investments in the expansion of the fiber-optic network at 1&1 Versatel and the 1&1 mobile network. Accordingly, it amounted to EUR 347.4 million (EBIT previous year: EUR 407.1 million).

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

Forecast 2024

United Internet expects sales of approx. EUR 6.4 billion in fiscal year 2024 (previously expected: approx. EUR 6.5 billion; 2023: EUR 6.213 billion). EBITDA is expected to amount to approx. EUR 1.38 billion, including EUR 14.3 million in out-of-period expenses, or approx. EUR 1.39 billion excluding out-of-period expenses (previously expected: approx. EUR 1.42 billion; 2023: EUR 1.30 billion).

Cash capex is expected to be 15 – 25% above the previous year (previously expected: 10 – 20% above previous year; 2023: EUR 756 million). This is due to the build-up of the company's own inventory of network components, which were previously stockpiled by expansion partners.

Reasons for the forecast adjustment are primarily the after-effects of a temporary outage of the 1&1 mobile network at the end of May as well as additional out-of-period expenses for recalculations for the network expansion for 2022 and 2023.

As a result of the network outage, there was an increase in contract terminations, which mainly took effect in June and July. As a result, contract growth in 2024 will be lower than expected, which will be accompanied by lower growth rates in service sales and EBITDA. In addition, hardware sales in the “Consumer Access” segment and – as already announced by IONOS – aftermarket sales in the “Business Applications” segment will be lower than initially planned.

About United Internet

With over 28 million fee-based customer contracts and more than 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.