



Half-year financial report  
2024

## SELECTED KEY FIGURES

	June 30, 2024	June 30, 2023	Change
<b>NET INCOME (in € million)</b>			
Sales <sup>(1)</sup>	3,099.9	3,014.2	+ 2.8%
EBITDA <sup>(1)</sup>	662.3	668.7	- 1.0%
EBIT <sup>(1)</sup>	347.4	407.1	- 14.7%
EBT <sup>(1)</sup>	255.6	341.6	- 25.2%
EPS (in €) <sup>(1)</sup>	0.61	0.83	- 26.5%
<b>BALANCE SHEET (in € million)</b>			
Current assets	1,913.4	1,779.1	+ 7.5%
Non-current assets	9,614.2	8,989.0	+ 7.0%
Equity	5,453.1	5,405.5	+ 0.9%
Equity ratio	47.3%	50.2%	
Total assets	11,527.6	10,768.0	+ 7.1%
<b>CASH FLOW (in € million)</b>			
Operative cash flow	557.9	512.6	+ 8.8%
Cash flow from operating activities	175.1	237.2	- 26.2%
Cash flow from investing activities	- 280.9	- 300.5	
Free cash flow <sup>(2)</sup>	- 185.8	- 127.5	
<b>EMPLOYEES</b>			
Total headcount as of June 30	10,966	10,687	+ 2.6%
thereof in Germany	8,989	8,690	+ 3.4%
thereof abroad	1,977	1,997	- 1.0%
<b>SHARE (in €)</b>			
Share price as of June 30 (Xetra)	20.12	12.90	+ 56.0%
<b>CUSTOMER CONTRACTS (in million)</b>			
Consumer Access, total contracts	16.35	15.96	+ 0.39
thereof Mobile Internet	12.36	11.91	+ 0.45
thereof broadband connections	3.99	4.05	- 0.06
Consumer Applications, total accounts	41.66	42.22	- 0.56
thereof with Premium Mail subscription (contracts)	2.11	1.94	+ 0.17
thereof with Value-Added subscription (contracts)	0.80	0.76	+ 0.04
thereof free accounts	38.75	39.52	- 0.77
Business Applications, total contracts	9.52	9.25	+ 0.27
thereof in Germany	4.61	4.53	+ 0.08
thereof abroad	4.91	4.72	+ 0.19
Fee-based customer contracts, total	28.78	27.91	+ 0.87

(1) Key sales and earnings figures for 2024 and 2023 adjusted for special effects

(2) Free cash flow 2024 and 2023 incl. the repayment portion of lease liabilities

# CONTENT

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4 FOREWORD OF CEO

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6 INTERIM GROUP MANAGEMENT REPORT FOR THE FIRST SIX MONTHS OF 2024

6 Principles of the Group

13 General conditions

15 Business development

27 Position of the Group

35 Subsequent events

36 Risk and opportunity report

37 Forecast report

---

40 INTERIM FINANCIAL STATEMENTS FOR THE FIRST SIX MONTHS OF 2024

42 Group balance sheet

44 Group net income

46 Group cash flow

48 Changes in shareholders' equity

50 Notes on the interim financial statements

67 Income statement (quarterly development)

68 Responsibility statement

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69 FINANCIAL CALENDAR / IMPRINT

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**Dear shareholders, employees, and business associates,**

United Internet AG can look back on a successful first six months of 2024.

In the first half of 2024, we continued to make investments in new customer contracts and the expansion of existing customer relationships, and thus in sustainable growth. In total, we increased the number of fee-based customer contracts by a further 330,000 contracts to 28.78 million. Of this amount, 90,000 new contracts were added in the Consumer Access segment and 130,000 contracts in the Business Applications segment. We gained a further 110,000 contracts in the Consumer Applications segment.

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

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

In addition to network rollout costs and out-of-period expenses, operating EBIT was additionally burdened by increased depreciation of € -257.9 million (prior year: € -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 € 347.4 million (prior year: € 407.1 million).

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

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

On August 2, 2024, United Internet adjusted its full-year guidance. We now expect sales of approx. € 6.4 billion in 2024 (previous guidance: approx. € 6.5 billion; 2023: € 6.213 billion). EBITDA is expected to amount to approx. € 1.38 billion, including out-of-period expenses of € -14.3 million, or approx. € 1.39 billion without out-of-period expenses (previous guidance: approx. € 1.42 billion; 2023: € 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: € 756 million). The increase is due to the establishment of our own stock of network components, which were previously stored by our expansion partners.

The main reasons for this adjustment were the after-effects of a temporary outage of the 1&1 mobile network in late May, as well as additional out-of-period expenses from subsequent billing for network expansion in 2022 and 2023. The network outage led to an increase in the number of contract terminations, which mainly took effect in June and July. Consequently, 1&1 contract growth in 2024 will be lower than expected, resulting in lower growth rates for service revenues and EBITDA. Moreover, lower hardware sales are expected in the Consumer Access segment as well as lower after-market sales in the Business Applications segment than originally planned.

We are well prepared for the next steps in our Company's development and upbeat about our prospects for the remaining months of the fiscal year. In view of the successful first six months, we would like to express our heartfelt gratitude to all employees for their dedicated efforts as well as to our shareholders and business associates for the trust they continue to place in us.

Montabaur, August 8, 2024



Ralph Dommermuth

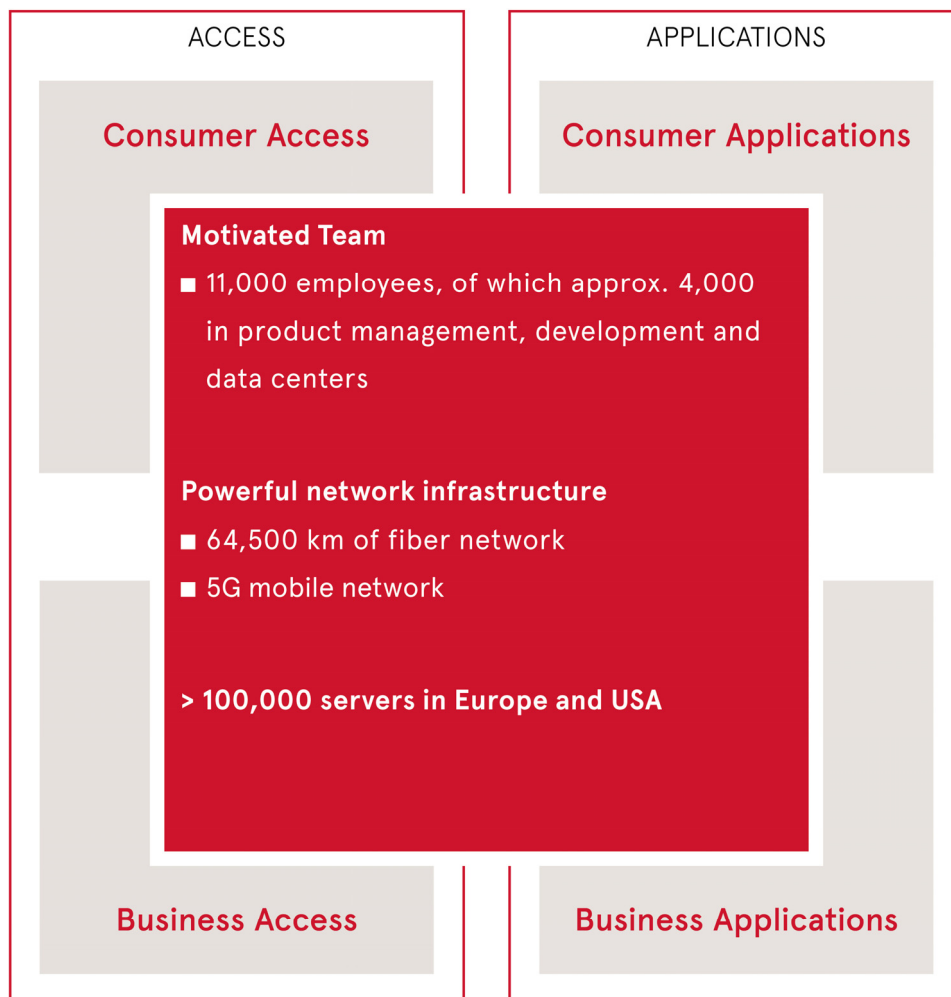
# INTERIM GROUP MANAGEMENT REPORT FOR THE FIRST SIX MONTHS OF 2024

## Principles of the Group

### Business model

Founded in 1988 and headquartered in Montabaur, Germany, United Internet AG is a leading European internet specialist with over 28 million fee-based customer contracts and around 39 million ad-financed free accounts around the world.

The Group's operating activities are divided into the two business divisions "Access" and "Applications", which in turn comprise the reporting segments "Consumer Access" and "Business Access", as well as "Consumer Applications" and "Business Applications".



## Consumer Access segment

The Consumer Access segment comprises landline-based broadband products (including the respective applications, such as home networks, online storage, Smart Home, IPTV, and video-on-demand), as well as mobile internet products for private users.

These internet access products are offered to customers as subscription contracts with fixed monthly fees (and variable, volume-based charges).

With its **broadband products** under the 1&1 brand (especially VDSL/vectoring and fiber-optic connections), United Internet is one of Germany's leading suppliers.

The Company uses 1&1 Versatel's own fiber-optic network as the transport network for VDSL/vectoring connections and direct fiber-optic connections (FTTH) with the "last mile" being provided by city carriers and Deutsche Telekom (mainly Layer-2). In the case of business with ADSL connections (currently being phased out), further advance service providers are used.

United Internet is also one of the leading providers of **mobile internet products** in Germany.

1&1 has a fully functional mobile communications network. Wherever 1&1 does not yet have sufficient mobile coverage during the years of network expansion, it uses national roaming. This is currently provided by Telefónica and as of summer 2024 national roaming services are to be procured from Vodafone. National roaming is a standard procedure used in the rollout of new mobile networks that enables customers to surf and make calls without interruption in areas not yet covered. This is achieved by automatically using the roaming partner's antennas in these areas.

Until more than 12 million existing customers have been fully migrated to the 1&1 mobile network, 1&1 will also use the Telefónica mobile network as a so-called Mobile Virtual Network Operator (MVNO), as well as MVNO capacities of Vodafone. As of the beginning of 2024, the existing MVNO customers are being gradually migrated to the 1&1 mobile network.

Mobile internet products are marketed via the premium brand 1&1 as well as via discount brands, such as winSIM and yourfone, which enable the Company to target a wide range of specific user groups in the mobile communications market.

## Business Access segment

In the Business Access segment, 1&1 Versatel offers a wide range of telecommunication products and solutions for business customers.

The core of 1&1 Versatel's business model is a modern fiber-optic network with a length of around 64,500 km, which is one of the largest networks in Germany and is constantly being expanded.

1&1 Versatel uses this network to offer telecommunication products – from standardized fiber-optic direct connections to tailored ICT solutions (voice, data and network solutions) – to companies and local authorities. In addition, the 1&1 fiber-optic network is offered for infrastructure services (wholesale) to national and international carriers.

## **Consumer Applications segment**

Applications for home users are pooled in the Consumer Applications segment. In particular, these applications include Personal Information Management applications (e-mail, to-do lists, appointments, addresses), and online storage (cloud), as well as domains, website solutions tailored to consumer needs, and office software.

By steadily developing this portfolio over the past years, the GMX and WEB.DE brands – the most widely used e-mail providers in Germany for many years now – have been expanded into complete command centers for communication, information, and identity management.

Applications for home users are nearly all developed in-house and operated at the Group's own data centers. Products are offered as fee-based subscriptions (pay accounts) or – for free – in the form of ad-financed accounts (free accounts). These free accounts are monetized via classic – but increasingly also via data-driven – online advertising, which is marketed by United Internet Media.

With its ad-financed applications and fee-based consumer applications, United Internet is primarily active via GMX and WEB.DE in Germany, Austria, and Switzerland, where it is among the leading players. International expansion in this segment is being driven via the mail.com brand. In addition to the USA, mail.com targets countries such as the UK, France, and Spain.

## **Business Applications segment**

In the Business Applications segment, IONOS opens up online business opportunities for freelancers and SMEs, while also helping them to digitize their processes. It offers a comprehensive range of powerful applications, such as domains, websites, web hosting, servers, e-shops, group work, online storage (cloud), and office software, which can be used via subscription agreements. In addition, cloud solutions and cloud infrastructure are offered.

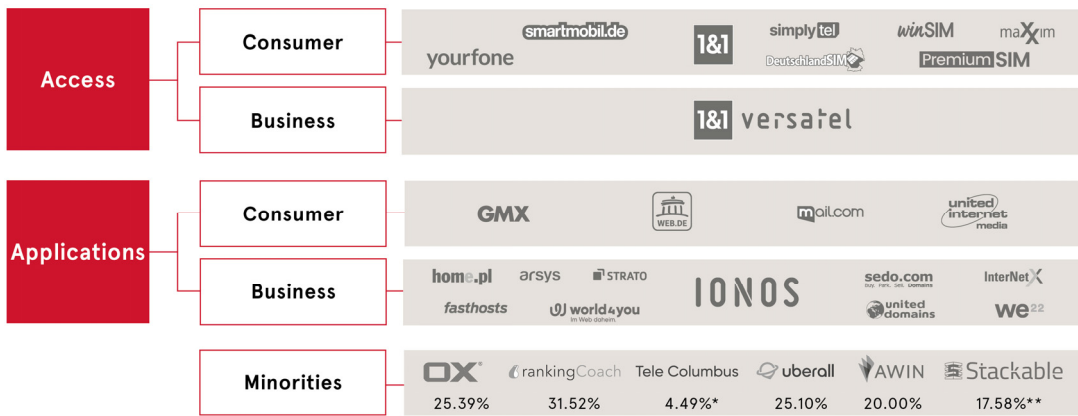
These business applications are developed at in-house development centers or in cooperation with partner firms.

IONOS is also a leading global player in this segment with activities in various European countries (Germany, France, the UK, Spain, Portugal, Italy, the Netherlands, Austria, Poland, Hungary, Romania, Bulgaria, Czech Republic, Slovakia, and Sweden) as well as in North America (the USA, Canada, Mexico).

Business applications are marketed to specific target groups via the brands IONOS, Arsys, Fasthosts, home.pl, InterNetX, STRATO, united-domains, and World4You. In addition, Sedo offers professional services in the field of active domain management, while we22 offers other hosting suppliers a white-label website builder for the creation of high-quality websites.



Segments, brands and investments (as of: June 30, 2024)



\* Held indirectly via a 4.71% investment in Kublai GmbH

\*\* Held indirectly via the 63.84% investment in IONOS Group SE

## Group structure, strategy, and control

With regard to the Group's structure, strategy, and control, we refer to the explanations provided in the combined Management Report 2023 (Annual Report 2023, page 34 et seq.). There were no significant changes with regard to the Group and its segments in the first half of 2024.

## Main focus areas for products and innovations

As an internet service provider, the United Internet Group does not engage in research and development (R&D) on a scale comparable with manufacturing companies. Also within the context of its own sector, research and development expenditures play a fairly subordinate role. For this reason, United Internet does not disclose key figures for R&D.

At the same time, the United Internet brands stand for high-performance internet access, solutions, and innovative web-based products and applications which are mostly developed in-house. The success of United Internet is rooted in an ability to develop, combine, or adapt innovative products and services, and launch them on major markets.

In addition to constant improvements and measures to secure the reliable operation of all services offered, a total of around 4,000 programmers, product managers, and technical administrators at United Internet's domestic and foreign facilities worked in particular on the following projects during the first half of 2024:

### Consumer Access

- Launch of IPTV Standalone as a new, independent IPTV product
- Rollout of new family tariffs with which customers can add up to five additional cards to their main contract at a discounted rate
- Expansion of regional fiber-optic offering via connection of Glasfaser Nordwest and Stadtwerke Velbert
- Launch of new bandwidths for FTTH, both for download and upload bandwidths
- Introduction of a new process for capturing and processing a so-called eID which significantly simplifies the process of activating mobile phones equipped with an e-SIM

### Business Access

- SD-WAN Compact based on the Lancom platform, specially designed for retailers and companies with multiple locations
- Managed firewall focusing on companies affected by the KRITIS and NIS2 regulations
- Expansion of footprint for internet access with speeds of up to 10 Gbit/s
- Hardware portal for ordering phones, headsets and adapters for cloud telephone system solutions

## Consumer Applications

- Customer account protection through improved AI-based anomaly detection
- Use of GMX and WEB.DE app as two-factor authentication for logins
- Improvement of AI-based prospecting in advertising through success evaluation and increased reach
- Extension of new e-mail web client, including the sending of large files for GMX and WEB.DE
- Launch of an alert dashboard in the web e-mail client with security-related information
- Launch of "United Internet Media Ad Manager" for internal and external booking of online campaigns in Switzerland and Austria and as a white-label variant
- Development of a new mail storage system based on a distributed storage network

## Business Applications

### Artificial Intelligence (AI)

- Launch of an AI-based assistant for the e-mail product
- Introduction of an AI-based domain search for the Arsys and Fasthosts brands
- Rollout of an AI chatbot for customer service at IONOS in Germany and the UK

### Domains

- Introduction of a domain expiry pool to improve the monetization of domains no longer required

### Webhosting & Productivity

- Launch of shared web hosting products for Wordpress based on a scalable and high-performance new hosting platform
- Introduction of a legal protection service at World4You for the legally compliant creation of websites in compliance with the legal framework

### Cloud

- Rollout of a build-to-order service for dedicated servers in North America (USA, Canada); enabling customers to configure their server architecture with the appropriate hardware
- Launch of a private DNS solution
- Introduction of an S/3-compatible object storage system with high scalability and redundancy based on Ceph

- Launch of Managed MariaDB and Managed Redis with administration, maintenance, and scaling of these databases provided by IONOS
- Rollout of Logging-as-a-Service (LaaS), a cloud-based platform for managing infrastructure and application logs
- Regional control planes for Managed Kubernetes with improved availability and resilience through the ability to regionally assign the control plane of Kubernetes clusters
- Rollout of Managed Kubernetes (MK8S) in the USA for the use of managed Kubernetes services and clusters
- Development of an “airgapped” cloud solution in an isolated environment for the German Federal Information Technology Center (ITZBund); ITZBund is the IT service provider for 200 authorities of the federal administration
- Introduction of a bidirectional VPN for secure management of resources in the private cloud

## General economic, sector and legal conditions

### Macroeconomic development

In its latest outlook for the **global economy** in 2024 (World Economic Outlook, July 2024 Update), the International Monetary Fund (IMF) marginally upgraded its forecast to growth of 3.2% (January outlook: 3.1%) – following growth of 3.3% in the previous year.

At the same time, the Fund's experts see growing tensions in world trade as well as political risks. These have the potential to accelerate inflation again, for example by pushing up the prices of imported goods across all supply chains.

The Fund has upgraded its 2024 forecasts for the United Internet Group's target markets in North America as follows: it forecasts growth of 2.6% (prior year: 2.5%) for the **USA** – 0.5 percentage points more than in its January outlook. The forecast of 1.3% (prior year: 1.2%) for **Canada** is –0.1 percentage point less than originally expected. And for **Mexico**, the IMF forecasts an increase in economic output of 2.2% (prior year: 3.2%), and thus –0.5 percentage points less than at the beginning of the year.

The IMF's forecast for United Internet's important **eurozone** region remains unchanged from its January outlook with an increase in economic output of 0.9% (prior year: 0.5%). The growth forecast for **France** was downgraded slightly by –0.1 percentage point to 0.9% (prior year: 1.1%), while the forecast for **Spain** has been upgraded significantly by 0.9 percentage points to 2.4% (prior year: 2.5%). The growth forecast for **Italy** of 0.7% (prior year: –0.2%) is unchanged from the January outlook.

For the **UK**, the IMF currently expects growth of 0.7% (prior year: 0.1%), and thus 0.1 percentage point more than at the beginning of the year.

By contrast, the IMF has downgraded its economic forecast for **Germany** – United Internet's most important market by far (sales share 2023: around 89%) – by –0.3 percentage points and expects economic output in 2024 to grow by just 0.2% (prior year: –0.2%). The IMF cites the ongoing weakness in manufacturing as the main cause.

#### Changes in 2024 growth forecasts for United Internet's key target countries and regions

	Actual 2023	January forecast 2024	April forecast 2024	July forecast 2024	Change on January forecast
World	3.3%	3.1%	3.2%	3.2%	+0.1%-points
USA	2.5%	2.1%	2.7%	2.6%	+0.5%-points
Canada	1.2%	1.4%	1.2%	1.3%	–0.1%-points
Mexico	3.2%	2.7%	2.4%	2.2%	–0.5%-points
Eurozone	0.5%	0.9%	0.8%	0.9%	+/-0.0%-points
France	1.1%	1.0%	0.7%	0.9%	–0.1%-points
Spain	2.5%	1.5%	1.9%	2.4%	+0.9%-points
Italy	–0.2%	0.7%	0.7%	0.7%	+/-0.0%-points
UK	0.1%	0.6%	0.5%	0.7%	+0.1%-points
Germany	–0.2%	0.5%	0.2%	0.2%	–0.3%-points

Source: International Monetary Fund, World Economic Outlook (Update), January 2024, April 2024, July 2024

## **Sector development**

At its half-year press conference 2024, the industry association Bitkom reported stable growth for the German ICT sector (ICT = information and communications technology) in a challenging macroeconomic environment.

The Digital Index jointly compiled by Bitkom and the ifo Institute stood at +7.9 points in June. It therefore continues to outperform the ifo business sentiment index for the economy as a whole, which remained stubbornly negative at -6.3 points.

## **Legal conditions / significant events**

In the first half of 2024, the legal parameters for United Internet's business activities were largely unchanged from fiscal year 2023 and thus had no significant influence on the development of the United Internet Group.

There were also no significant events in the first six months of 2024 which had a material influence on the development of business.

## Business development

### Use of business-relevant key financial performance indicators

In order to ensure the clear and transparent presentation of United Internet's business trend, the Company's annual and interim financial statements include key performance indicators (KPIs) – in addition to the disclosures required by International Financial Reporting Standards (IFRS) – such as EBITDA, the EBITDA margin, EBIT, the EBIT margin, and free cash flow. Information on the use, definition, and calculation of these KPIs is provided in the Annual Report 2023 (page 58).

Insofar as required for clear and transparent presentation, the KPIs used by United Internet are adjusted for special items and disclosed as "key operating figures" (e.g., operating EBITDA, operating EBIT, and operating EPS). Such special items usually refer solely to those effects capable of restricting the validity of the key financial performance indicators with regard to the Company's financial and earnings performance – due to their nature, frequency, and/or magnitude. All special items are presented and explained for the purpose of reconciliation from the unadjusted key financial figures to the key operating figures in the relevant section of the financial statements.

### Termination / sale of the business fields "Energy" and "De-Mail" in the Consumer Applications segment

Following a thorough review, the Management Board and Supervisory Board decided in March 2024 to discontinue the "Energy" and "De-Mail" business fields in the Consumer Applications segment.

Against this backdrop, United Internet reports the sales and earnings contributions of these business fields separately in its management reporting, both in the Consumer Applications segment and at Group level, and adjusts the key operating figures for 2024 and the comparative figures for 2023 accordingly. The same applies to customer contracts, which are also presented "adjusted". The key financial figures for 2020-2022 remain unchanged in the multi-period overviews.

The aforementioned sales contributions of the Energy und De-Mail business fields amounted to € 13.9 million in the first half of 2023 and € 13.4 million in the first half of 2024, while the EBITDA and EBIT contributions amounted to € -3.0 million in the prior-year period and € -0.7 million in the first half of 2024.

### Non-scheduled, non-cash impairment of Tele Columbus investment

In an ad-hoc disclosure dated June 14, 2024, United Internet AG announced that it would make no further investments in the holding company Kublai GmbH. Kublai currently holds around 95% of shares in Tele Columbus AG.

Specifically, United Internet waived the right to increase its stake in Kublai to 40% again after it was diluted to around 5% in the course of a capital increase in the first quarter of 2024. Due to the resulting loss of significant influence, a non-cash impairment loss on the investment in Kublai of € 170.5 million was recognized in the consolidated financial statements as at June 30, 2024 and disclosed in the result from associated companies.

As already reported in the Interim Statement Q1 2024, Kublai conducted a capital increase in the first quarter of 2024 to provide Tele Columbus with equity, in which United Internet did not participate. A further shareholder of Kublai is Hilbert Management GmbH, an indirect subsidiary of Morgan Stanley Infrastructure Inc (MSI), an infrastructure fund managed by the investment bank Morgan Stanley, which subscribed to the full amount of the capital increase totaling € 300 million. This resulted in a reduction of United Internet's stake in Kublai to around 5% (previously 40%). Until June 17, 2024, United Internet had the option to increase its stake in Kublai back to 40% by acquiring shares from MSI in return for a payment of € 120 million.

United Internet is convinced that the valuation of Tele Columbus AG on which the capital increase was based is far too low, resulting in an excessive dilution of United Internet's stake. However, its majority of votes at the shareholders' meeting enabled MSI to conduct the capital increase on the basis of a valuation determined by MSI. United Internet will now initiate the contractually stipulated anti-dilution proceedings and arrange for an arbitration court to review MSI's valuation. If the court agrees with United Internet's assessment, United Internet will be entitled to compensation.

The reason for the decision of the Management Board and Supervisory Board of United Internet AG not to make any further investments in Kublai is a difference of opinion between MSI and United Internet regarding the future funding of Kublai.

In its Management Report, United Internet has separately disclosed the non-scheduled, non-cash impairment on its Kublai/Tele Columbus investment and adjusted its operating KPIs EBT and EPS accordingly.



## Development of divisions and segments

The United Internet Group's operating activities are divided into the two business divisions Access and Applications, which in turn are divided into the segments Consumer Access and Business Access, as well as Consumer Applications and Business Applications.

## Development of the Consumer Access segment

The number of **fee-based contracts in the Consumer Access segment** rose by 90,000 contracts to 16.35 million in the first half of 2024. While broadband connections fell slightly by 20,000 contracts to 3.99 million, mobile internet contracts increased by 110,000 to 12.36 million contracts.

### Development of Consumer Access contracts in the first half of 2024

in million	June 30, 2024	Dec. 31, 2023	Change
Consumer Access, total contracts	16.35	16.26	+ 0.09
thereof Mobile Internet	12.36	12.25	+ 0.11
thereof broadband connections	3.99	4.01	- 0.02

### Development of Consumer Access contracts in the second quarter of 2024

in million	June 30, 2024	March 31, 2024	Change
Consumer Access, total contracts	16.35	16.30	+ 0.05
thereof Mobile Internet	12.36	12.29	+ 0.07
thereof broadband connections	3.99	4.01	- 0.02

**Sales of the Consumer Access segment** rose by 1.1% in the first half of 2024, from € 1,993.1 million in the previous year to € 2,015.9 million.

High-margin **service revenues** – which represent the core business of the segment – rose by 3.8% from € 1,584.6 million in the previous year to € 1,644.9 million in the first half of 2024. Meanwhile, low-margin **hardware sales** of € 371.0 million were -9.2% or € -37.5 million down on the previous year (€ 408.5 million). Hardware sales (especially smartphones) are subject to seasonal effects and also depend strongly on the appeal of new devices and the model cycles of hardware manufacturers. Consequently, this effect may be reversed in the coming quarters. If this is the case, it would only have a very minor impact on earnings.

**Segment EBITDA** amounted to € 326.6 million in the first half of 2024 (prior year: € 352.0 million). This figure includes increased expenses for the rollout of 1&1's mobile network of € -111.0 million (prior year: € -40.8 million), of which € -14.3 million related to out-of-period expenses from subsequent billing for additional services during the network rollout in 2022 and 2023.

Due to these expenses and increased depreciation for investments in the establishment of the 1&1 mobile network, **segment EBIT** of € 196.1 million was below the prior-year figure (€ 254.1 million).

The **EBITDA margin** decreased accordingly from 17.7% to 16.2% and the **EBIT margin** from 12.7% to 9.7%.

**Key sales and earnings figures in the Consumer Access segment (in € million)**

	H1 2024	H1 2023	
Sales	2,015.9	1,993.1	+ 1.1%
<b>thereof service sales</b>	<b>1,644.9</b>	<b>1,584.6</b>	<b>+ 3.8%</b>
thereof other sales <sup>(1)</sup>	371.0	408.5	- 9.2%
EBITDA	326.6 <sup>(2)</sup>	352.0	- 7.2%
EBIT	196.1 <sup>(2)</sup>	254.1	- 22.8%

(1) Mainly hardware sales

(2) Including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

**Quarterly development; change over prior-year quarter**

in € million	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q2 2023	Change
Sales	1,038.7	1,064.9	1,024.4	991.5	972.1	+ 2.0%
<b>thereof service sales</b>	<b>834.3</b>	<b>824.3</b>	<b>821.9</b>	<b>823.0</b>	<b>795.7</b>	<b>+ 3.4%</b>
thereof other sales <sup>(1)</sup>	204.4	240.6	202.5	168.5	176.4	- 4.5%
EBITDA	159.1	142.7	182.3	144.3 <sup>(2)</sup>	169.9	- 15.1%
EBIT	109.6	92.1	117.9	78.2 <sup>(2)</sup>	120.7	- 35.2%

(1) Mainly hardware sales

(2) Including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

**Multi-period overview: Development of key sales and earnings figures**

in € million	H1 2020	H1 2021	H1 2022	H1 2023	H1 2024
Sales	1,881.2	1,930.7	1,952.0	1,993.1	2,015.9
<b>thereof service sales</b>	<b>1,496.9</b>	<b>1,541.7</b>	<b>1,581.9</b>	<b>1,584.6</b>	<b>1,644.9</b>
thereof other sales <sup>(1)</sup>	384.3	389.0	370.1	408.5	371.0
EBITDA	329.6	336.1 <sup>(2)</sup>	368.2	352.0	326.6 <sup>(3)</sup>
EBITDA margin	17.5%	17.4%	18.9%	17.7%	16.2%
EBIT	254.1	256.9 <sup>(2)</sup>	287.7	254.1	196.1 <sup>(3)</sup>
EBIT margin	13.5%	13.3%	14.7%	12.7%	9.7%

(1) Mainly hardware sales

(2) Excluding the non-period positive effect on earnings attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million)

(3) Including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

Following the launch of mobile services in the 1&1 mobile network in late 2023, the focus in the first half of 2024 was on the migration of existing customers and the further expansion of antenna locations. The migration of existing customers was started as planned in January. In late May, there was a disruption to the mobile network that placed a heavy burden on customers and the team and led to non-recurring additional expenses. In the course of rectifying the problem, it became apparent that key components were not sufficiently dimensioned for further network growth. This has now been largely remedied, but the delivery of a capacity expansion that was already planned has now been delayed. To ensure that sufficient network capacity is available for new customer contracts, 1&1 has only migrated a small number of its existing customers to the new network since late May. The expected savings with regard to the purchase of advance services will therefore probably not be realized until October. The temporary network outage also slowed operating growth in this segment. There was an increase in the number of contract terminations, which mainly took effect in June and July. As a result, contract growth in 2024 will be lower than expected – resulting in lower revenue growth with a corresponding

impact on earnings. By contrast, the network expansion continues to make progress. At the end of the first half of the year, 1,781 radio masts were taken over, which will be successively equipped with gigabit antennas and connected to fiber-optic cables.

## Development of the Business Access segment

**Sales in the Business Access segment** rose by 4.6% in the first half of 2024, from € 270.8 million in the previous year to € 283.2 million.

Despite start-up costs for new business fields, **segment EBITDA** increased by 1.9% from € 77.2 million in the prior-year period to € 78.7 million. There was a corresponding decline in the **EBITDA margin** from 28.5% in the previous year to 27.8%.

In the new "5G" business field, 1&1 Versatel is setting up data centers and fiber-optic connections for the antenna locations of 1&1's mobile network and providing them to 1&1 on a rental basis as part of an intercompany agreement. In its second new business field "Expansion of business parks", 1&1 Versatel uses newly constructed regional expansion clusters to provide fiber-optic connections for companies in business parks. In the first half of 2024, total start-up costs for the new business fields amounted to € -16.4 million (prior year: € -11.8 million) for EBITDA and € -52.0 million (prior year: € -30.3 million) for EBIT.

As a result of the aforementioned start-up costs for new business fields, as well as increased depreciation for the associated investments in network infrastructure, **segment EBIT** decreased from € -24.2 million in the previous year to € -42.2 million.

### Key sales and earnings figures in the Business Access segment (in € million)

Sales	283.2	270.8	+ 4.6%
EBITDA	78.7	77.2	+ 1.9%
EBIT	-42.2	-24.2	

Legend: H1 2024 (red bar), H1 2023 (grey bar)

### Quarterly development; change over prior-year quarter

in € million	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q2 2023	Change
Sales	142.6	150.6	141.7	141.5	134.7	+ 5.0%
EBITDA	41.0	44.7	35.4	43.3	42.4	+ 2.1%
EBIT	- 12.7	- 14.6	- 23.6	- 18.6	- 8.8	

### Multi-period overview: Development of key sales and earnings figures

in € million	H1 2020	H1 2021	H1 2022	H1 2023	H1 2024
Sales	241.5	258.4	262.1	270.8	283.2
EBITDA	74.4	78.3	74.9	77.2	78.7
EBITDA margin	30.8%	30.3%	28.6%	28.5%	27.8%
EBIT	- 25.2	- 11.5	- 19.7	- 24.2	- 42.2
EBIT margin	-	-	-	-	-

## Development of the Consumer Applications segment

As already mentioned, the Management Board and Supervisory Board decided in March 2024 to discontinue the "Energy" and "De-Mail" business fields in the Consumer Applications segment. The key figures for 2023 and 2024 presented below have been adjusted accordingly. The key financial figures for 2020-2022 in the multi-period overviews, however, remain unchanged.

The number of **pay accounts** (fee-based contracts) in the Consumer Applications segment rose by 110,000 to 2.91 million in the first half of 2024. At 38.75 million, however, ad-financed **free accounts** were down on December 31, 2023 (39.93 million), due mainly to seasonal effects as well as higher security requirements.

### Development of Consumer Applications accounts in the first half of 2024

in million	June 30, 2024	Dec. 31, 2023	Change
Consumer Applications, total accounts	41.66	42.73	- 1.07
thereof with Premium Mail subscription (contracts)	2.11 <sup>(1)</sup>	2.03 <sup>(1)</sup>	+ 0.08
thereof with Value-Added subscription (contracts)	0.80 <sup>(1)</sup>	0.77 <sup>(1)</sup>	+ 0.03
thereof free accounts	38.75	39.93	- 1.18

### Development of Consumer Applications accounts in the second quarter of 2024

in million	June 30, 2024	March 31, 2024	Change
Consumer Applications, total accounts	41.66	42.06	- 0.40
thereof with Premium Mail subscription (contracts)	2.11 <sup>(1)</sup>	2.07 <sup>(1)</sup>	+ 0.04
thereof with Value-Added subscription (contracts)	0.80 <sup>(1)</sup>	0.79 <sup>(1)</sup>	+ 0.01
thereof free accounts	38.75	39.20	- 0.45

(1) 2023 and 2024 excluding De-Mail contracts (Premium Mail subscription) and energy contracts (Value-Added subscription)

Rising advertising revenues and in particular the growth of pay contracts led to sales growth of 11.9% in the first half of 2024, from € 141.0 million in the first half of 2023 to € 157.8 million. Adjusted for sales of € 13.9 million in the prior-year period and € 13.4 million in the first half of 2024 from Energy and De-Mail, **sales of the Consumer Applications segment** rose by 13.6%, from € 127.1 million to € 144.4 million.

There was also significant growth in key earnings figures: EBITDA rose by 22.9%, from € 43.3 million in the prior-year period to € 53.2 million, and EBIT by 25.5% from € 38.5 million to € 48.3 million in the first half of 2024. Adjusted for EBITDA and EBIT contributions from Energy and De-Mail of € -3.0 million in the prior-year period and € -0.7 million in the first half of 2024, **operating segment EBITDA** increased by 16.4% from € 46.3 million to € 53.9 million and **operating segment EBIT** by 18.1% from € 41.5 million to € 49.0 million.

There was a corresponding increase in the **operating EBITDA margin** from 36.4% to 37.3% and in the **operating EBIT margin** from 32.7% to 33.9%.

Further good sales growth is expected for 2024 as a whole. The resulting growth in profitability is to be largely invested in applications for future growth.

### Key sales and earnings figures in the Consumer Applications segment (in € million)

	H1 2024	H1 2023	Change
Sales	144.4 <sup>(1)</sup>	127.1 <sup>(2)</sup>	+ 13.6%
EBITDA	53.9 <sup>(1)</sup>	46.3 <sup>(2)</sup>	+ 16.4%
EBIT	49.0 <sup>(1)</sup>	41.5 <sup>(2)</sup>	+ 18.1%

(1) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 13.4 million; EBITDA contribution: € -0.7 million; EBIT contribution: € -0.7 million)

(2) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 13.9 million; EBITDA contribution: € -3.0 million; EBIT contribution: € -3.0 million)

### Quarterly development; change over prior-year quarter

in € million	Q3 2023 <sup>(1)</sup>	Q4 2023 <sup>(1)</sup>	Q1 2024 <sup>(1)</sup>	Q2 2024 <sup>(1)</sup>	Q2 2023 <sup>(1)</sup>	Change
Sales	67.6	82.2	71.1	73.3	64.3	+ 14.0%
EBITDA	24.3	35.5	23.8	30.1	26.6	+ 13.2%
EBIT	21.8	32.0	21.3	27.7	24.1	+ 14.9%

(1) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 6.7 million, EBITDA contribution: € +0.9 million, EBIT contribution: € +0.9 million in Q3 2023; sales contribution: € 6.8 million, EBITDA contribution: € -0.5 million, EBIT contribution: € -0.6 million in Q4 2023); sales contribution: € 6.6 million, EBITDA contribution: € -1.3 million, EBIT contribution: € -1.3 million in Q1 2024; sales contribution: € 6.8 million, EBITDA contribution: € +0.6 million, EBIT contribution: € +0.6 million in Q2 2024; sales contribution: € 6.7 million, EBITDA contribution: € +1.1 million, EBIT contribution: € +1.1 million in Q2 2023

### Multi-period overview: Development of key sales and earnings figures

in € million	H1 2020	H1 2021	H1 2022	H1 2023	H1 2024
Sales	122.6	136.9	142.6	127.1 <sup>(3)</sup>	144.4 <sup>(4)</sup>
EBITDA	40.2	47.7 <sup>(1)</sup>	48.4 <sup>(2)</sup>	46.3 <sup>(3)</sup>	53.9 <sup>(4)</sup>
EBITDA margin	32.8%	34.8%	33.9%	36.4%	37.3%
EBIT	36.5	43.2 <sup>(1)</sup>	43.4 <sup>(2)</sup>	41.5 <sup>(3)</sup>	49.0 <sup>(4)</sup>
EBIT margin	29.8%	31.6%	30.4%	32.7%	33.9%

(1) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +4.6 million)

(2) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € -4.4 million)

(3) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 13.9 million; EBITDA contribution: € -3.0 million; EBIT contribution: € -3.0 million)

(4) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 13.4 million; EBITDA contribution: € -0.7 million; EBIT contribution: € -0.7 million)

## Development of the Business Applications segment

The number of **fee-based Business Applications contracts** increased by 130,000 contracts in the first half of 2024. This growth resulted from 20,000 contracts in Germany and 110,000 contracts abroad. As a result, the total number of contracts rose to 9.52 million.

### Development of Business Applications contracts in the first half of 2024

in million	June 30, 2024	Dec. 31, 2023	Change
Business Applications, total contracts	9.52	9.39	+ 0.13
thereof in Germany	4.61	4.59	+ 0.02
thereof abroad	4.91	4.80	+ 0.11

### Development of Business Applications contracts in the second quarter of 2024

in million	June 30, 2024	March 31, 2024	Change
Business Applications, total contracts	9.52	9.49	+ 0.03
thereof in Germany	4.61	4.61	0.00
thereof abroad	4.91	4.88	+ 0.03

**Sales of the Business Applications segment** rose by 6.1% in the first half of 2024, from € 708.6 million in the first half of 2023 to € 751.6 million. Compared to the prior-year period, sales growth was burdened by lower revenues in Sedo's after-market business due to temporary phasing effects in connection with a product launch (€ -18.8 million).

Segment earnings in the first half of 2023 were impacted by special items in connection with the IPO of IONOS Group SE and there was total net income of € +11.7 million. This resulted in particular from the contractually agreed assumption of total IPO costs by the IONOS shareholders United Internet and Warburg Pincus.

Adjusted for these special items in the previous year, **operating segment EBITDA** increased by 7.9% from € 192.3 million in the previous year to € 207.4 million, while **operating segment EBIT** rose by 10.2% from € 138.7 million to € 152.8 million. Compared to the prior-year period, these earnings figures include temporarily higher marketing expenses (€ -8.9 million).

The **operating EBITDA margin** and the **operating EBIT margin** increased from 27.1% to 27.6% and from 19.6% to 20.3%, respectively.

### Key sales and earnings figures in the Business Applications segment (in € million)

	H1 2024	H1 2023	Change
Sales	751.6	708.6	+ 6.1%
EBITDA	207.4	192.3 <sup>(1)</sup>	+ 7.9%
EBIT	152.8	138.7 <sup>(1)</sup>	+ 10.2%

(1) Excluding IPO costs (EBITDA and EBIT effect: € +11.7 million net (IPO costs and offsetting assumption of costs by IONOS shareholders))

**Quarterly development; change over prior-year quarter**

in € million	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q2 2023	Change
Sales	350.1	365.0	373.0	378.6	354.8	+ 6.7%
EBITDA	101.4	80.0	101.3	106.1	110.8 <sup>(1)</sup>	- 4.2%
EBIT	74.5	52.6	74.2	78.6	84.1 <sup>(1)</sup>	- 6.5%

(1) Excluding IPO costs (EBITDA and EBIT effect: € +0.4 million net in Q2 2023)

**Multi-period overview: Development of key sales and earnings figures**

in € million	H1 2020	H1 2021	H1 2022	H1 2023	H1 2024
Sales	490.3	533.2	629.8	708.6	751.6
EBITDA	172.4	168.5	172.5 <sup>(1)</sup>	192.3 <sup>(2)</sup>	207.4
EBITDA margin	35.2%	31.6%	27.4%	27.1%	27.6%
EBIT	117.2	113.5	115.6 <sup>(1)</sup>	138.7 <sup>(2)</sup>	152.8
EBIT margin	23.9%	21.3%	18.4%	19.6%	20.3%

(1) Excluding IPO costs (EBITDA and EBIT effect: € -2.4 million)

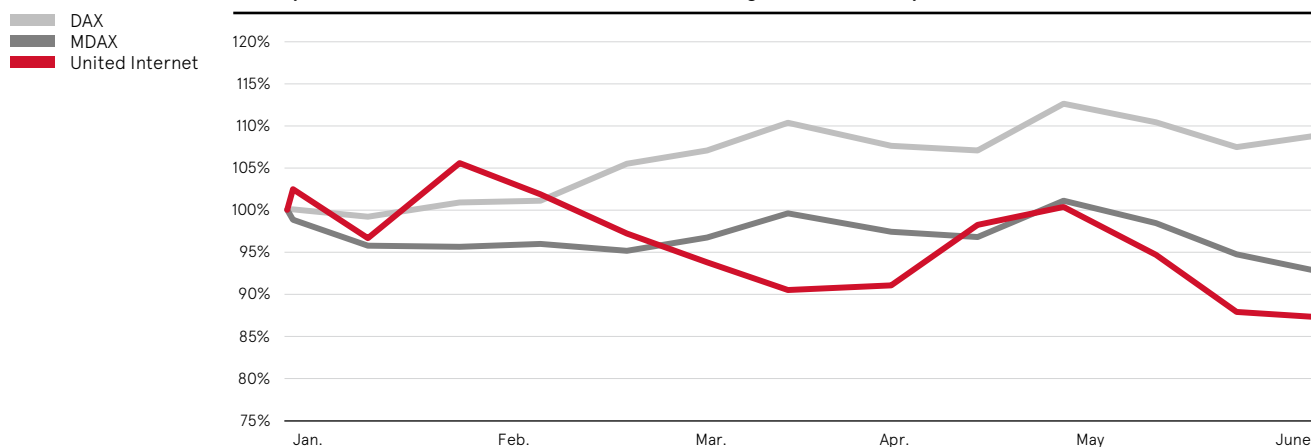
(2) Excluding IPO costs (EBITDA and EBIT effect: € +11.7 million net (IPO costs and offsetting assumption of costs by IONOS shareholders))

## Share and dividend

Over the course of the first six months of 2024, the United Internet **share price** fell by -12.7% from € 23.04 as of December 31, 2023 to € 20.12 on June 30, 2024. The performance of the comparative DAX and MDAX indices varied greatly during the reporting period. Whereas the DAX rose by 8.9%, the MDAX fell by -7.2%.

Compared to the same reporting date last year, the share price of United Internet AG was 56.0% above the prior-year level (€ 12.90 on June 30, 2023).

### Share performance in the first half of 2024 (Xetra trading); indexed in comparison to DAX and MDAX



### Multi-period overview: share performance (in €; Xetra trading)

	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Closing price	37.71	34.48	27.23	12.90	20.12
Performance	+ 30.2%	- 8.6%	- 22.1%	- 52.6%	56.0%
Number of shares (units)	205.0	194.0	194.0	192.0	192.0
Market value (in € million)	7,730.6	6,689.1	5,282.6	2,476.8	3,863.0

### Shareholder structure (as of: June 30, 2024)

Shareholder	Shareholding
Ralph Domermuth	
- Ralph Domermuth GmbH & Co. KG Beteiligungsgesellschaft (43.35%)	48.94%
- Ralph Domermuth GmbH (3.54%)	
- RD Holding GmbH & Co. KG (1.04%)	
United Internet (treasury stock)	9.98%
Bank of America	4.93%
Wellington	3.01%
Free float	33.14%

Presentation of the total positions shown above based on the most recent notification of voting rights in accordance with Sections 33 ff. of the German Securities Trading Act. Accordingly, only voting rights notifications that have reached at least the first notification threshold of 3% are taken into account. In addition, any directors' dealings announcements available to the Company have been taken into account accordingly.



At the Annual Shareholders' Meeting of United Internet AG held on May 17, 2024, the proposal of the Management Board and Supervisory Board to pay a **dividend** of € 0.50 per share (prior year: € 0.50) for the fiscal year 2023, was approved with a majority of 99.98% of votes cast. As a consequence, a total of € 86.4 million (prior year: € 86.4 million) was distributed on May 23, 2024. The **payout ratio** was thus 35.6% of the adjusted consolidated net income after minority interests for 2023 (€ 243.0 million) and – in view of the investments already made and still due to be made in the 1&1 mobile network and the expansion of the fiber-optic network – at the upper end of the range targeted by its dividend policy (20% – 40% of adjusted consolidated net income after minority interests, provided that funds are not needed for further Company development). Based on the closing price of the United Internet share on June 30, 2024, the **dividend yield** was therefore 2.5%.

#### Multi-period overview: Dividend development

	For 2019	For 2020	For 2021	For 2022	For 2023
Dividend per share (in €)	0.50	0.50	0.50	0.50	0.50
Dividend payment (in € million)	93.9	93.6	93.4	86.4	86.4
Payout ratio	22.2%	32.2%	22.4%	23.5%	37.1%
Adjusted payout ratio <sup>(1)</sup>	23.6%	26.7%	23.7%	23.1%	35.6%
Dividend yield <sup>(2)</sup>	1.3%	1.5%	1.8%	2.6%	2.5%

(1) Without special items

(2) As of: June 30

#### Capital stock and treasury shares

Following the issue of shares as part of employee stock ownership plans, United Internet AG held a total of 19,162,689 **treasury shares**, corresponding to 9.98% of the **capital stock** of 192 million shares, as at the balance sheet date of June 30, 2024 (December 31, 2023: 19,183,705 treasury shares or 9.99% of capital stock).

#### Investor Relations

Continuous and transparent corporate communication with all capital market participants is of the utmost importance for United Internet. The Company aims to provide all target groups with clear information about its strategic alignment, operating business, and financial development in a timely manner and without discrimination. To this end, the Management Board and the Investor Relations department were once again in regular contact with institutional and private investors in the first half of 2024.

The capital market was informed via the quarterly statements, half-year financial report and annual report, as well as via press and analyst conferences and the respective webcasts. Moreover, the Annual Shareholders' Meeting also provided an opportunity to engage intensively with the shareholder base. The Company's management and Investor Relations department explained the Company's strategy and financial results in numerous one-on-one discussions at the Company's offices in Montabaur, as well as at roadshows and conferences in Germany and abroad.

Apart from one-on-one meetings, shareholders and potential future investors can also access the latest news and publications around the clock via the Company's extensive and bilingual website ([www.united-internet.de](http://www.united-internet.de)). In addition to the publication dates of financial reports, details about planned investor conferences and roadshows are made publicly available in the Investor Relations / Financial Calendar section.

## Personnel report

As of June 30, 2024, the United Internet Group employed 10,966 people. In line with the Company's positive development, headcount therefore increased by 279 staff or 2.6% compared to the previous year (10,687 employees).

Headcount in Germany rose by 299 employees or 3.4%, from 8,690 in the previous year to 8,989 on June 30, 2024. At the Group's companies outside Germany, headcount decreased slightly by 20 or 1.0%, from 1,997 in the previous year to 1,977.

From the segment perspective, there were 3,372 employees in the Consumer Access segment (prior year: 3,237), 1,592 in the Business Access segment (prior year: 1,414), 1,070 in the Consumer Applications segment (prior year: 1,057), 4,306 in the Business Applications segment (prior year: 4,330), as well as 626 in the Corporate/Shared Services division (prior year: 649).

### Multi-period overview: Headcount development by domestic/foreign<sup>(1)</sup>

	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	Change
Employees, total	9,451	9,910	10,167	10,687	10,966	+ 2.6%
thereof in Germany	7,811	8,127	8,283	8,690	8,989	+ 3.4%
thereof abroad	1,640	1,783	1,884	1,997	1,977	- 1.0%

(1) Active employees as June 30 of the respective fiscal year

### Multi-period overview: Headcount development by segment<sup>(1)</sup>

	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	Change
Employees, total	9,451	9,910	10,167	10,687	10,966	+ 2.6%
thereof Consumer Access	3,191	3,184	3,145	3,237	3,372	+ 4.2%
thereof Business Access	1,177	1,227	1,286	1,414	1,592	+ 12.6%
thereof Consumer Applications	1,003	999	1,013	1,057	1,070	+ 1.2%
thereof Business Applications	3,484	3,935	4,159	4,330	4,306	- 0.6%
thereof Corporate/Shared Services	596	565	564	649	626	- 3.5%

(1) Active employees as June 30 of the respective fiscal year

Due to the rise in headcount, as well as salary adjustments to compensate for high inflation, there was an increase in personnel expenses of 9.2% from € 370.3 million in the previous year to € 404.4 million in the first half of 2024. The personnel expense ratio rose correspondingly from 12.2% to 13.0%.

### Multi-period overview: Development of personnel expenses; change over previous year

in € million	H1 2020	H1 2021	H1 2022	H1 2023	H1 2024	Change
Personnel expenses	286.3	316.0	323.6	370.3	404.4	+ 9.2%
Personnel expense ratio	10.8%	11.4%	11.2%	12.2%	13.0%	

## Position of the Group

There were **no significant acquisition or divestment effects** on consolidated and segment sales and EBITDA in the first half of 2024. There were also only **minor positive currency effects** at Group and segment level (Business Applications segment) amounting to € 3.3 million for sales and € 1.5 million for EBITDA. The same applies to the Group's asset position, for which there were no significant effects from currency fluctuations.

### Earnings position

In the first half of 2024, the total number of **fee-based customer contracts** in the United Internet Group was raised by 330,000 contracts to 28.78 million. At 38.75 million, however, ad-financed free accounts were down on December 31, 2023 (39.93 million), due mainly to seasonal effects as well as higher security requirements.

Total Group sales amounted to € 3,113.3 million, compared to € 3,028.1 million in the prior-year period. Adjusted for the sales contributions from Energy and De-Mail (€ 13.9 million in the previous year and € 13.4 million in the first half of 2024), **consolidated sales** rose by 2.8% from € 3,014.2 million in the previous year to € 3,099.9 million in the first half of 2024. This merely moderate sales growth was mainly due to a year-on-year decline in hardware revenues (especially smartphones) in the Consumer Access segment (€ -37.5 million compared to H1 2023) as well as lower after-market sales in the Business Applications segment (€ -18.8 million compared to H1 2023). These low-margin hardware and after-market revenues only have a very minor impact on key earnings figures.

The **cost of sales** increased from € 1,996.9 million in the previous year to € 2,089.6 million. This figure includes out-of-period expenses of € -14.3 from subsequent billing for additional services during the network rollout in 2022 and 2023. As a result, there was a disproportionately strong rise in the cost of sales ratio from 65.9% (of sales) in the previous year to 67.1% (of sales) in the first half of 2024. There was a corresponding decrease in the **gross margin** from 34.1% to 32.9%. As a result, **gross profit** fell by -0.7% from € 1,031.3 million to € 1,023.7 million.

**Sales and marketing expenses** also rose faster than sales, from € 453.4 million (15.0% of sales) in the previous year to € 486.5 million (15.6% of sales), while **administrative expenses** increased from € 136.2 million (4.5% of sales) to € 148.7 million (4.8% of sales).

This disproportionately strong increase in the aforementioned cost of sales, sales and marketing expenses, and administrative expenses results above all from increased expenditure for the rollout of 1&1's mobile network, higher depreciation and amortization due to investments in the expansion of the fiber-optic network and mobile network, and strong increases in personnel expenses following an expansion of headcount as well as significant salary adjustments to keep pace with high inflation.

#### Multi-period overview: Development of key cost items

in € million	H1 2020	H1 2021	H1 2022	H1 2023	H1 2024
Cost of sales	1,775.5	1,784.3 <sup>(1)</sup>	1,882.1	1,996.9	2,070.9
Cost of sales ratio	66.8%	64.3%	64.9%	65.9%	66.5%
Gross margin	33.2%	35.7%	35.1%	34.1%	33.5%
Selling expenses	376.8	407.2	435.7	453.4	486.5
Selling expenses ratio	14.2%	14.7%	15.0%	15.0%	15.6%
Administrative expenses	97.7	116.4	128.4	136.2	148.7
Administrative expenses ratio	3.7%	4.2%	4.4%	4.5%	4.8%

(1) Including the non-period positive effect on earnings attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million)

In the first half of 2024, consolidated EBITDA amounted to € 661.6 million (prior year: € 664.1 million) and EBIT to € 346.7 million (prior year: € 402.5 million).

Adjusted for special items in connection with the IONOS IPO of € -1.6 million net in the first half of 2023, as well as earnings contributions from Energy and De-Mail of € -3.0 million in the first half of 2023 and € -0.7 million in the first half of 2024, the Group's operating earnings developed as follows:

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

In addition to network rollout costs and out-of-period expenses, **operating EBIT** was additionally burdened by increased depreciation of € -257.9 million (prior year: € -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 € 347.4 million (prior year: € 407.1 million).

There was a corresponding decrease in the **operating EBITDA margin** from 22.2% in the previous year to 21.4% and in the **operating EBIT margin** from 13.5% to 11.2%.

#### Key sales and earnings figures of the Group (in € million)

	H1 2024	H1 2023	Change
Sales	3,099.9 <sup>(1)</sup>	3,014.2 <sup>(2)</sup>	+ 2.8%
EBITDA	662.3 <sup>(1)</sup>	668.7 <sup>(2)</sup>	- 1.0%
EBIT	347.4 <sup>(1)</sup>	407.1 <sup>(2)</sup>	- 14.7%

(1) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 13.4 million; EBITDA contribution: € -0.7 million; EBIT contribution: € -0.7 million)

(2) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 13.9 million; EBITDA contribution: € -3.0 million; EBIT contribution: € -3.0 million) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -1,6 million net (IPO costs and offsetting pro rata assumption of costs by the IONOS co-shareholder))

#### Quarterly development; change over prior-year quarter

in € million	Q3 2023 <sup>(1)</sup>	Q4 2023 <sup>(1)</sup>	Q1 2024 <sup>(1)</sup>	Q2 2024 <sup>(1)</sup>	Q2 2023 <sup>(1)</sup>	Change
Sales	1,554.1	1,617.5	1,565.0	1,534.9	1,483.1	+ 3.5%
EBITDA	324.0	303.7	342.1	320.2 <sup>(2)</sup>	350.2	- 8.6%
EBIT	189.2	162.1	187.0	160.4 <sup>(2)</sup>	218.6	- 26.6%

(1) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 6.7 million, EBITDA contribution: € +0.9 million, EBIT contribution: € +0.9 million in Q3 2023; sales contribution: € 6.8 million, EBITDA contribution: € -0.5 million, EBIT contribution: € -0.6 million in Q4 2023); sales contribution: € 6.6 million, EBITDA contribution: € -1.3 million, EBIT contribution: € -1.3 million in Q1 2024; sales contribution: € 6.8 million, EBITDA contribution: € +0.6 million, EBIT contribution: € +0.6 million in Q2 2024; sales contribution: € 6.7 million, EBITDA contribution: € +1.1 million, EBIT contribution: € +1.1 million in Q2 2023) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -0.1 million net in Q4 2023; EBITDA and EBIT effect: € -2.1 million net in Q2 2023)

(2) Including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

**Multi-period overview: Development of key sales and earnings figures**

in € million	H1 2020	H1 2021	H1 2022	H1 2023	H1 2024
Sales	2,657.9	2,775.6	2,901.1	3,014.2 <sup>(4)</sup>	3,099.9 <sup>(5)</sup>
EBITDA	620.5	632.9 <sup>(1)</sup>	657.5 <sup>(2)</sup>	668.7 <sup>(3)</sup>	662.3 <sup>(4)</sup>
EBITDA margin	23.3%	22.8%	22.7%	22.2%	21.4%
EBIT	385.4	401.6 <sup>(1)</sup>	417.3 <sup>(2)</sup>	407.1 <sup>(3)</sup>	347.4 <sup>(4)</sup>
EBIT margin	14.5%	14.5%	14.4%	13.5%	11.2%

(1) Excluding the non-period positive effect on earnings attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million), excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +0.9 million)

(2) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +4.6 million) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -2.4 million)

(3) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 13.9 million; EBITDA contribution: € -3.0 million; EBIT contribution: € -3.0 million) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -1.6 million net (IPO costs and offsetting pro rata assumption of costs by the IONOS co-shareholder))

(4) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 13.4 million; EBITDA contribution: € -0.7 million; EBIT contribution: € -0.7 million); including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

Additionally adjusted for a non-cash writedown (disclosed in the result from associated companies) on the investment in Kublai (EBT effect: € -170.5 million), **operating earnings before taxes (EBT)** fell from € 341.6 million to € 255.6 million. In addition to the lower EBIT result (€ -59.7 million), this decline was due to a year-on-year decrease in the "remaining" result from associated companies (€ -7.1 million) and in the financial result (€ -19.2 million). The latter was impacted by the increase in interest rates.

Adjusted for the aforementioned non-cash writedown (EPS effect: € -0.99), EPS declined from € 0.83 to € 0.61. In addition to the development of EBIT (EPS effect: € -0.15), this was due to the lower "remaining" result from associated companies (EPS effect: € -0.04), as well as increased interest expenses (EPS effect: € -0.03).

## Financial position

Despite the decline in net income, **operative cash flow** rose from € 512.6 million in the previous year to € 557.9 million in the first half of 2024.

**Cash flow from operating activities**, however, decreased from € 237.2 million to € 175.1 million. This was primarily attributable to the strong reduction/decline in trade accounts payable due to closing-date effects (phasing effects from Q4 2023 amounting to € -104.3 million).

**Cash flow from investing activities** in the reporting period led to a net outflow of € -280.9 million (prior year: € -300.5 million). This resulted mainly from capital expenditures of € -284.4 million (prior year: € -301.3 million).

United Internet's free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant, and equipment.

Due in part to the aforementioned phasing effects, **free cash flow** in the first half of 2024 amounted to € -105.8 million (prior year: € -62.1 million).

After deducting the cash flow item "Redemption of lease liabilities" – disclosed in cash flow from financing activities since the initial application of the accounting standard IFRS 16 – **free cash flow (after leasing)** amounted to € -185.8 million (prior year: € -127.5 million).

In the first half of 2024, **cash flow from financing activities** was dominated by the assumption of loans (€ 342.9 million; prior year: € 239.6 million), payments for interest (€ -46.6 million; prior year: € -25.0 million), the redemption of lease liabilities (€ -80.0 million; prior year: € -65.4 million), and dividend payments (€ -86.4 million; prior year: € -86.4 million). In the previous year, cash flow from financing activities also included payments received from minority shareholders (€ 305.7 million) in connection with the IPO of IONOS Group SE as well as from purchase price payments of Warburg Pincus, and the purchase of treasury shares (€ -291.9 million).

As of June 30, 2024, **cash and cash equivalents** amounted to € 37.5 million – compared to € 52.2 million on the same date last year.

### Development of key cash flow figures

in € million	H1 2024	H1 2023	Change
Operative cash flow	557.9	512.6	+ 45.3
Cash flow from operating activities	175.1	237.2	- 62.1
Cash flow from investing activities	- 280.9	- 300.5	+ 19.6
Free cash flow <sup>(1)</sup>	- 185.8 <sup>(2)</sup>	- 127.5 <sup>(3)</sup>	- 58.3
Cash flow from financing activities	115.4	74.8	+ 40.6
Cash and cash equivalents on June 30	37.5	52.2	- 14.7

(1) Free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment

(2) 2024 including the repayment portion of lease liabilities (€ 80.0 million), which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)

(3) 2023 including the repayment portion of lease liabilities (€ 65.4 million), which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)

## Asset position

The **balance sheet total** increased from € 11.246 billion as of December 31, 2023 to € 11.528 billion on June 30, 2024.

### Development of current assets

in € million	June 30, 2024	Dec. 31, 2023	Change
Cash and cash equivalents	37.5	27.7	+ 9.8
Trade accounts receivable	529.0	508.9	+ 20.1
Contract assets	650.3	676.1	- 25.8
Inventories	126.4	178.1	- 51.7
Prepaid expenses	377.0	303.8	+ 73.2
Other financial assets	141.8	96.9	+ 44.9
Income tax claims	34.4	34.8	- 0.3
Other non-financial assets	17.0	13.8	+ 3.2
<b>Total current assets</b>	<b>1,913.4</b>	<b>1,840.1</b>	<b>+ 73.3</b>

**Current assets** rose from € 1,840.1 million as of December 31, 2023 to € 1,913.4 million on June 30, 2024. Due to closing-date effects, **cash and cash equivalents** disclosed under current assets increased slightly from € 27.7 million to € 37.5 million. After raising **inventories** to avoid supply bottlenecks in late 2023, this item declined from € 178.1 million to € 126.4 million. As a result of prepayments made to advance service providers and closing-date effects, current **prepaid expenses** increased from € 303.8 million to € 377.0 million and mainly comprise the short-term portion of expenses relating to contract acquisition and contract fulfillment according to IFRS 15. Due mainly to the quarterly measurement of financial derivatives, current **other financial assets** increased from € 96.9 million to € 141.8 million. The items current **trade accounts receivable**, current **contract assets**, **income tax claims**, and **other non-financial assets** were all largely unchanged.

### Development of non-current assets

in € million	June 30, 2024	Dec. 31, 2023	Change
Shares in associated companies	120.9	373.2	- 252.3
Other financial assets	63.2	8.3	+ 54.8
Property, plant and equipment	2,706.8	2,405.3	+ 301.5
Intangible assets	1,949.9	2,001.6	- 51.6
Goodwill	3,631.0	3,628.8	+ 2.2
Trade accounts receivable	31.5	34.8	- 3.2
Contract assets	189.9	206.6	- 16.7
Prepaid expenses	852.9	679.8	+ 173.1
Deferred tax assets	68.1	67.1	+ 1.0
<b>Total non-current assets</b>	<b>9,614.2</b>	<b>9,405.6</b>	<b>+ 208.6</b>

**Non-current assets** rose from € 9,405.6 million as of December 31, 2023 to € 9,614.2 million on June 30, 2024. Due in particular to the non-cash writedown of the investment in Kublai and the reclassification/rededication of the Kublai investment (resulting from the loss of significant influence) to non-current other financial assets, **shares in associated companies** fell from € 373.2 million to € 120.9 million. There was a corresponding rise in non-current **other financial assets** from € 8.3 million to € 63.2 million. Capital expenditures in the first half of 2024 (especially for the 5G network rollout and expansion of the fiber-optic network in the Consumer Access and Business Access segments) led to a strong increase in **property, plant and equipment** from € 2,405.3 million to € 2,706.8, while **intangible assets** declined from € 2,001.6 million to € 1,949.9 million, mainly as a result of amortization. Due to

prepayments made to advance service providers and closing-date effects, there was a significant increase in non-current **prepaid expenses** from € 679.8 million to € 852.9 million. The items **goodwill**, non-current **trade accounts receivable**, non-current **contract assets**, and **deferred tax assets** were all largely unchanged.

#### Development of current liabilities

in € million	June 30, 2024	Dec. 31, 2023	Change
Trade accounts payable	619.6	699.2	- 79.6
Liabilities due to banks	444.4	582.4	- 138.0
Income tax liabilities	41.4	88.0	- 46.6
Contract liabilities	182.7	175.0	+ 7.7
Other accrued liabilities	25.7	26.4	- 0.7
Other financial liabilities	326.9	274.9	+ 52.0
Other non-financial liabilities	156.3	176.7	- 20.4
<b>Total current liabilities</b>	<b>1,797.0</b>	<b>2,022.7</b>	<b>- 225.7</b>

**Current liabilities** decreased from € 2,022.7 million as of December 31, 2023 to € 1,797.0 million on June 30, 2024. Due to closing-date effects, current **trade accounts payable** decreased from € 699.2 million to € 619.6 million. There was a decrease in current **liabilities due to banks** from € 582.4 million to € 444.4 million. **Income tax liabilities** declined from € 88.0 million to € 41.4 million due to closing-date effects. Current **other financial liabilities** increased from € 274.9 million to € 326.9 million, mainly as a result of higher leasing additions (IFRS 16). The items current **contract liabilities**, which mainly include payments received from customer contracts for which the performance has not yet been completely rendered, as well as current **other accrued liabilities**, and current **other non-financial liabilities** were all largely unchanged.

#### Development of non-current liabilities

in € million	June 30, 2024	Dec. 31, 2023	Change
Liabilities due to banks	2,386.9	1,881.9	+ 505.0
Deferred tax liabilities	282.2	293.0	- 10.8
Trade accounts payable	3.4	3.4	+ 0.0
Contract liabilities	32.4	32.7	- 0.2
Other accrued liabilities	73.5	68.7	+ 4.8
Other financial liabilities	1,499.2	1,388.3	+ 110.9
<b>Total non-current liabilities</b>	<b>4,277.5</b>	<b>3,667.9</b>	<b>+ 609.6</b>

**Non-current liabilities** rose from € 3,667.9 million as of December 31, 2023 to € 4,277.5 million on June 30, 2024. This was mainly due to non-current **liabilities due to banks**, which increased from € 1,881.9 million to € 2,386.9 million as a result of the use of existing long-term credit facilities and the assumption of a new promissory note loan. **Other financial liabilities** increased from € 1,388.3 million to € 1,499.2 million, mainly due to higher leasing additions (IFRS 16). The items **deferred tax liabilities**, non-current **trade accounts payable**, non-current **contract liabilities** (which mainly include payments received from customer contracts for which the performance has not yet been completely rendered), and non-current **other accrued liabilities** were all largely unchanged.



**Development of equity**

in € million	June 30, 2024	Dec. 31, 2023	Change
Capital stock	192.0	192.0	0.0
Capital reserves	2,202.1	2,197.7	+ 4.4
Accumulated profit	2,813.2	2,980.5	- 167.3
Treasury shares	- 459.3	- 459.8	+ 0.5
Revaluation reserves	0.1	0.1	+ 0.0
Currency translation adjustment	- 8.5	- 12.5	+ 4.0
<b>Equity attributable to shareholders of the parent company</b>	<b>4,739.6</b>	<b>4,898.0</b>	<b>- 158.4</b>
Non-controlling interests	713.5	657.0	+ 56.5
<b>Total equity</b>	<b>5,453.1</b>	<b>5,555.1</b>	<b>- 101.9</b>

Consolidated **equity capital** fell from € 5,555.1 million as of December 31, 2023 to € 5,453.1 million on June 30, 2024. The Group's **accumulated profit** – comprising the past profits of the consolidated companies, insofar as they were not distributed – decreased from € 2,980.5 million to € 2,813.2 million in the first half of 2024. There was a corresponding fall in the consolidated **equity ratio** from 49.4% to 47.3%. This decline was mainly due to the non-cash writedown of the Kublai investment.

**Net bank liabilities** (i.e., the balance of bank liabilities and cash and cash equivalents) increased from € 2,436.6 million as of December 31, 2023 to € 2,793.8 million on June 30, 2024. In April 2024, United Internet successfully placed a promissory note loan ("Schuldscheindarlehen") with an amount of € 280 million. The proceeds from this transaction are used for general company funding.

**Multi-period overview: Development of key balance sheet items**

in € million	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	June 30, 2024
Total assets	9,230.8	9,669.1	10,358.5	11,245.6	11,527.6
Cash and cash equivalents	131.3	110.1	40.5	27.7	37.5
Shares in associated companies	89.6	431.6 <sup>(1)</sup>	429.3	373.2	120.9
Property, plant and equipment	1,271.6	1,379.6	1,851.0	2,405.3	2,706.8
Intangible assets	2,197.8	2,059.4	2,029.3	2,001.6	1,949.9
Goodwill	3,609.4	3,627.8	3,623.4	3,628.8	3,631.0
Liabilities due to banks	1,466.1	1,822.7	2,155.5	2,464.3	2,831.3
Capital stock	194.0	194.0	194.0	192.0 <sup>(2)</sup>	192.0
Equity	4,911.2	4,923.2	5,298.4	5,555.1	5,453.1
Equity ratio	53.2%	50.9%	51.2%	49.4%	47.3%

(1) Increase due to stake in Kublai (2021)

(2) Decrease due to withdrawal of treasury shares (2023)

## Management Board's overall assessment of the business situation

United Internet can look back on a successful first six months of 2024. In the reporting period, the Company once again made investments in new customer contracts and the expansion of existing customer relationships, and thus in sustainable growth. All in all, the number of fee-based customer contracts grew by a further 330,000 contracts to 28.78 million contracts.

Of this total, 90,000 contracts were added in the Consumer Access segment. The Consumer Applications segment grew by 110,000 pay accounts and a further 130,000 contracts resulted from the Business Applications segment.

In view of this customer growth and a 2.8 % increase in sales (despite a year-on-year decline in low-margin hardware and after-market revenues) to around € 3.100 billion, United Internet made good progress in the first half of 2024. Operating EBITDA of € 662.3 million was slightly down on the previous year (prior year: € 668.7 million). This was due to increased expenses of € -111.0 million (prior year: € -40.8 million) for the rollout of 1&1's mobile network, of which € -14.3 million related to out-of-period expenses from subsequent billing for the network rollout in 2022 and 2023.

This performance once again highlights the benefits of United Internet's business model based predominantly on electronic subscriptions – with fixed monthly payments and contractually fixed terms. This ensures stable and predictable revenues and cash flows, offers protection against cyclical influences, and provides the financial scope to grasp opportunities in new business fields and markets – organically or via investments and acquisitions.

With the sales and earnings figures achieved in the first half of 2024, as well as the investments made in sustainable corporate development, the Management Board believes that the Company is well placed for its further development.

## Subsequent events

There were no significant events subsequent to the reporting date of June 30, 2024 which had a material effect on the financial position and performance of the Company or the Group nor affected its accounting and reporting.

## Risk and opportunity report

The risk and opportunity policy of United Internet AG is based on the objective of maintaining and sustainably enhancing the Company's value by utilizing opportunities while at the same time recognizing and managing risks from an early stage in their development. The risk and opportunity management system regulates the responsible handling of those uncertainties which are always involved with economic activity.

### Management Board's overall assessment of the Group's risk and opportunity position

The assessment of the overall level of risk is based on a consolidated view of all significant risk fields and individual risks, also taking account of their interdependencies.

- At present, the main challenges are the risk fields "Litigation", "Legislation & regulation", "Information security", "Technical plant operation", and "Personnel recruitment".
- Compared to December 31, 2023, was an increase in the risk field "Personnel recruitment" from Moderate to Significant as of June 30, 2024. This increase is mainly due to the challenging manpower situation in the field of information security.
- Compared to December 31, 2023, there was also an increase in the risk field "Financing" from Low to Moderate as of June 30, 2024. The increase is due to the first-time recognition of a financial covenant risk in connection with a syndicated loan of the IONOS Group in the Business Applications segment. The probability of occurrence is assessed as very low. In addition, a valuation adjustment of financial risks was conducted.
- Compared to December 31, 2023, the overall risk has increased in total as of June 30, 2024. This is primarily attributable to the aforementioned rise in the risk field "Personnel recruitment", as well as risk increases in the fields "Technical plant operation", "Litigation", and "Cooperation & outsourcing".

In the assessment of the overall risk situation, the opportunities which exist for United Internet were not taken into consideration. There were no risks which directly jeopardized the continued existence of the United Internet Group in the reporting period, nor as of the preparation date for this Management Report, neither from individual risk positions nor from the overall risk situation. The continuous expansion of its risk management system enables United Internet to limit risks to a minimum, where economically sensible, by implementing specific measures.

In the opportunity and risk report that forms part of the consolidated financial statements for 2023, United Internet made reference to the risks associated with the further establishment and operation of the 1&1 mobile network. In the first half of 2024, these risks manifested themselves to some extent as a result of a disruption in the mobile network in late May. Although the specific causes of the disruption were eliminated, future disruptions cannot be ruled out with certainty due to the high technical complexity of the mobile network. As a result of the disruption, audits were performed and capacity bottlenecks in the mobile network were identified. As a precautionary measure, 1&1 has therefore slowed down its customer migration. Even if this slowdown in the migration process is subsequently made up for, subsequent customer migrations will have reduced potential savings in terms of advance service costs. The bottlenecks will be eliminated as planned in the course of the year as part of an expansion of capacity that was already scheduled. As a result of the disruption to the mobile network, negotiations are currently being held with the expansion partners involved, which may also result in compensation payments. These negotiations also include claims for unplanned additional costs, which one expansion partner has filed.

## Forecast report

### Economic prospects

In its latest outlook for the **global economy** (World Economic Outlook, July 2024 Update), the International Monetary Fund (IMF) forecasts growth of 3.2% for 2024 – following growth of 3.3% in the previous year – and 3.3% for 2025.

At the same time, the Fund's experts see growing tensions in world trade as well as political risks. These may accelerate inflation again, for example by pushing up the prices of imported goods across all supply chains.

The Fund expects the following economic development for the target markets of the United Internet Group over the next two years: for North America, the IMF forecasts growth of 2.6% and 1.9% for the **USA** in 2024 and 2025, 1.3% and 2.4% for **Canada**, and 2.2% and 1.6% for **Mexico**.

In Europe, the IMF forecasts growth of 0.2% and 1.3% for **Germany**, 0.7% and 1.5% for the **UK**, 0.9% and 1.3% for **France**, 0.7% and 0.9% for **Italy**, and 2.4% and 2.1% for **Spain**.

#### Market forecast: economic development of United Internet's key target countries and regions

	2025e	2024e	2023
World	3.3%	3.2%	3.3%
USA	1.9%	2.6%	2.5%
Canada	2.4%	1.3%	1.2%
Mexico	1.6%	2.2%	3.2%
Eurozone	1.5%	0.9%	0.5%
France	1.3%	0.9%	1.1%
Spain	2.1%	2.4%	2.5%
Italy	0.9%	0.7%	-0.2%
UK	1.5%	0.7%	0.1%
Germany	1.3%	0.2%	-0.2%

Source: International Monetary Fund, World Economic Outlook (Update), July 2024

## Sector expectations

At its half-year press conference 2024, the industry association Bitkom reported stable growth for the German ICT sector (ICT = information and communications technology) in a challenging macroeconomic environment.

The association has updated its full-year forecasts for 2024 and expects the **ICT sector as a whole** to generate revenues of € 224.8 billion – an increase of +4.3%. Similar growth of +4.7% to € 235.4 billion is expected for 2025.

As in the previous years, the strongest growth is expected in the **sub-market “Information Technology”**. According to the latest forecast, IT revenues are expected to reach € 151.2 billion in 2024. This corresponds to growth of +5.4%.

- Software is likely to be the fastest-growing segment in this sub-market with sales growth of +9.8% to € 46.6 billion. Sales of platforms for the development, testing, and provision of software are likely to be particularly strong (+12.8% to € 12.6 billion). Within this segment, artificial intelligence is expected to grow substantially by +39.2% to € 1.5 billion. Business with software for corporate system infrastructure is also likely to be strong (+8.4% to € 10.4 billion). Security software is expected to lead the way with growth of +12.7% to € 4.7 billion. Other software applications are forecast to generate sales of € 23.5 billion – an increase of +8.8%. Above-average growth is expected in the field of collaboration tools, i.e., applications for teamwork and remote working, which are expected to achieve sales of € 1.3 billion, up +15.1% on the previous year.
- Sales of IT services are expected to grow by +4.5% to € 51.6 billion in the current year.
- After a decline in the previous year, IT hardware sales are expected to grow slightly by +2.8% to € 53.0 billion. However, some areas of the hardware segment are growing much faster than others, while others are shrinking slightly. Particularly strong growth is expected in the area of “Infrastructure-as-a-Service”, i.e., leased servers, network, and storage capacity. After a relatively weak year, sales of wearables such as smart watches are also expected to rise again by +10.7% to € 2.6 billion. Similarly, demand for security technologies is likely to maintain its above-average growth (+4.1% to € 1.2 billion). Following a dip in growth in the aftermath of the coronavirus pandemic, sales of PCs (+1.1% to € 7.8 billion) and workstations (+2.4% to € 0.9 billion) are now forecast to return to modest growth. In view of the expected slight decline of -0.3% to € 3.1 billion, sales of servers have not yet recovered (following a surge in demand during the corona years).

The **“Telecommunications” sub-market** is expected to achieve moderate growth of +2.0% to € 73.7 billion in 2024.

- According to Bitkom’s projections, telecommunications services will account for the lion’s share of this amount (€ 52.8 billion) with growth of +1.8%.
- Sales of end-user devices are likely to grow even more strongly, by +4.3% to € 12.8 billion.
- A slight decline is forecast for investments in telecommunications infrastructure, which are expected to fall by -0.3% to € 8.1 billion

For the **“Consumer Electronics” sub-market** (of little significance for United Internet), the association currently forecasts a decrease of -7.5% with a sales volume of € 7.6 billion.

## Expectations for the Company

### Forecast for the fiscal year 2024

On August 2, 2024, United Internet adjusted its full-year guidance and now expects sales of approx. € 6.4 billion in 2024 (previous guidance: approx. € 6.5 billion; 2023: € 6.213 billion). EBITDA is expected to amount to approx. € 1.38 billion, including out-of-period expenses of € -14.3 million, or approx. € 1.39 billion without out-of-period expenses (previous guidance: approx. € 1.42 billion; 2023: € 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: € 756 million). The increase is due to the establishment of the Company's own stock of network components, which were previously stored by expansion partners.

The main reasons for this adjustment were the after-effects of a temporary outage of the 1&1 mobile network in late May, as well as additional out-of-period expenses from subsequent billing for network expansion in 2022 and 2023. The network outage led to an increase in the number of contract terminations, which mainly took effect in June and July. Consequently, contract growth in 2024 will be lower than expected, resulting in lower growth rates for service revenues and EBITDA. Moreover, lower hardware sales are expected in the Consumer Access segment as well as lower after-market sales in the Business Applications segment than originally planned.

### Management Board's overall statement on the anticipated development

The Management Board of United Internet AG remains upbeat about its prospects for the future. Thanks to a business model based predominantly on electronic subscriptions, United Internet believes it is largely stable enough to withstand cyclical influences. With the investments made over the past few years in customer relationships, new business fields, and further internationalization, as well as via acquisitions and investments, the Company has laid a broad foundation for its future development.

At the time of preparing this Half-year Financial Report, the Management Board of United Internet AG believes that the Company is on track to reach the sales and earnings guidance presented above in the section "Forecast for the fiscal year 2024".

### Forward-looking statements

This Half-year Financial Report contains forward-looking statements based on current expectations, assumptions, and projections of the Management Board of United Internet AG and currently available information. These forward-looking statements are subject to various risks and uncertainties and are based upon expectations, assumptions, and projections that may not prove to be accurate. United Internet AG does not guarantee that these forward-looking statements will prove to be accurate and does not accept any obligation, nor have the intention, to adjust or update the forward-looking statements contained in this interim report.





# INTERIM FINANCIAL STATEMENTS

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GROUP BALANCE SHEET .....	42
GROUP NET INCOME .....	44
GROUP CASH FLOW .....	46
GROUP CHANGES IN SHAREHOLDERS' EQUITY.....	48
NOTES TO THE HALF-YEAR FINANCIAL REPORT.....	50
EXPLANATION OF ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME .....	53
EXPLANATIONS OF BALANCE SHEET ITEMS .....	57
OTHER ITEMS .....	60
NET INCOME .....	67
RESPONSIBILITY STATEMENT .....	68
FINANCIAL CALENDAR 2024 .....	69
IMPRINT .....	69

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## GROUP BALANCE SHEET

As of June 30, 2024 in €k

ASSETS	June 30, 2024	December 31, 2023 *
<b>Current assets</b>		
Cash and cash equivalents	37,456	27,689
Trade accounts receivable	528,998	508,945
Contract assets	650,328	676,110
Inventories	126,408	178,083
Prepaid expenses	377,001	303,781
Other financial assets	141,779	96,871
Income tax claims	34,421	34,754
Other non-financial assets	17,015	13,835
	<b>1,913,406</b>	<b>1,840,069</b>
<b>Non-current assets</b>		
Shares in associated companies	120,876	373,205
Other financial assets	63,170	8,346
Property, plant and equipment	2,706,775	2,405,312
Intangible assets	1,949,942	2,001,584
Goodwill	3,631,010	3,628,849
Trade accounts receivable	31,530	34,751
Contract assets	189,890	206,623
Prepaid expenses	852,882	679,795
Deferred tax assets	68,113	67,092
	<b>9,614,189</b>	<b>9,405,557</b>
<b>Total assets</b>	<b>11,527,594</b>	<b>11,245,626</b>

LIABILITIES	June 30, 2024	December 31, 2023 *
<b>Current liabilities</b>		
Trade accounts payable	619,594	699,220
Liabilities due to banks	444,369	582,396
Income tax liabilities	41,419	87,996
Contract liabilities	182,693	175,033
Other accrued liabilities	25,728	26,428
Other financial liabilities	326,868	274,921
Other non-financial liabilities	156,283	176,699
	<b>1,796,954</b>	<b>2,022,693</b>
<b>Non-current liabilities</b>		
Liabilities due to banks	2,386,884	1,881,865
Deferred tax liabilities	282,218	293,020
Trade accounts payable	3,358	3,358
Contract liabilities	32,419	32,658
Other accrued liabilities	73,462	68,671
Other financial liabilities	1,499,162	1,388,310
	<b>4,277,502</b>	<b>3,667,881</b>
<b>Total liabilities</b>	<b>6,074,456</b>	<b>5,690,574</b>
<b>EQUITY</b>		
Capital stock	192,000	192,000
Capital reserves	2,202,128	2,197,720
Accumulated profit	2,813,183	2,980,528
Treasury shares	-459,290	-459,793
Revaluation reserves	105	105
Currency translation adjustment	-8,500	-12,535
<b>Equity attributable to shareholders of the parent company</b>	<b>4,739,626</b>	<b>4,898,024</b>
Non-controlling interests	713,512	657,028
<b>Total equity</b>	<b>5,453,138</b>	<b>5,555,052</b>
<b>Total liabilities and equity</b>	<b>11,527,594</b>	<b>11,245,626</b>

\* Prior-year figure adjusted. Due to their nature, salary liabilities have been reclassified from financial to non-financial liabilities.

## GROUP NET INCOME

From January 1 to June 30, 2024 in €k

	2024	2023
	January - June	January - June
Sales	3,113,304	3,028,134
Cost of sales	-2,089,597	-1,996,869
<b>Gross profit</b>	<b>1,023,708</b>	<b>1,031,265</b>
Selling expenses	-486,450	-453,408
General and administrative expenses	-148,692	-136,220
Other operating income and expenses	27,626	19,619
Impairment of receivables and contract assets	-69,478	-58,767
<b>Operating result</b>	<b>346,714</b>	<b>402,488</b>
Financial result	-61,534	-42,268
Result from associated companies	-200,759	-23,235
<b>Pre-tax result</b>	<b>84,421</b>	<b>336,984</b>
Income taxes	-97,156	-121,923
<b>Net income</b>	<b>-12,735</b>	<b>215,062</b>
<b>thereof attributable to</b>		
non-controlling interests	55,336	76,035
shareholders of United Internet AG	-68,071	139,027

	<b>2024</b>	<b>2023</b>
	January - June	January - June
<b>Result per share of shareholders of United Internet AG (in €)</b>		
basic	-0.39	0.79
diluted	-0.39	0.79
<b>Weighted average of outstanding shares (in million units)</b>		
basic	172.84	176.27
diluted	175.20	176.50
<b>Reconciliation to total comprehensive income</b>		
Net income	-12,735	215,062
Items that may be reclassified subsequently to profit or loss		
Currency translation adjustment - unrealized	5,945	6,242
Items that are not reclassified subsequently to profit or loss		
Market value changes of financial assets measured at fair value through other comprehensive income	0	-230
<b>Other comprehensive income</b>	<b>5,945</b>	<b>6,013</b>
<b>Total comprehensive income</b>	<b>-6,791</b>	<b>221,075</b>
thereof attributable to		
non-controlling interests	57,245	78,671
<b>shareholders of United Internet AG</b>	<b>-64,036</b>	<b>142,404</b>

## GROUP CASH FLOW

From January 1 to June 30, 2024 in €k

	2024	2023
	January - June	January - June
<b>Result from operating activities</b>		
Net income	-12,735	215,062
<b>Adjustments to reconcile net income to net cash provided by operating activities</b>		
Depreciation and amortization of intangible assets and property, plant and equipment	257,900	204,669
Depreciation and amortization of assets resulting from company acquisitions	57,022	56,989
Net effect from employee stock option programs	6,868	-7,593
Result from associated companies	200,759	23,235
Distributed profits of associated companies	123	156
Other non-cash items from tax adjustments	-11,822	-22,229
Non-cash changes in fair value of operational derivatives	-1,177	4,408
Non-cash changes in fair value of non-operational derivatives	-5,092	4,552
Interest expense arising from the accretion of lease payments	15,281	9,439
Other financing expenses and financial income	51,345	23,870
Other non-cash items	-597	0
<b>Operative cash flow</b>	<b>557,874</b>	<b>512,558</b>
<b>Change in assets and liabilities</b>		
Change in receivables and other assets	-45,618	-51,848
Change in inventories	51,675	-8,169
Change in contract assets	42,515	-2,758
Change in income tax claims	334	-7,768
Change in deferred expenses	-246,307	-284,999
Change in trade accounts payable	-160,736	-23,565
Change in other accrued liabilities	3,033	-1,374
Change in income tax liabilities	-46,578	18,664
Change in other liabilities	10,950	81,531
Change in contract liabilities	8,004	4,883
<b>Change in assets and liabilities, total</b>	<b>-382,728</b>	<b>-275,404</b>
<b>Cash flow from operating activities</b>	<b>175,146</b>	<b>237,154</b>

	2024	2023
	January - June	January - June
<b>Cash flow from investing activities</b>		
Capital expenditure for intangible assets and property, plant and equipment	-284,372	-301,269
Payments from disposals of intangible assets and property, plant and equipment	3,473	2,041
Purchase of shares in associated companies	-1,007	-1,296
Interest received	1,052	0
Investments in other financial assets	-166	0
Payments received from the repayment of other financial assets	82	0
<b>Cash flow from investment activities</b>	<b>-280,937</b>	<b>-300,524</b>
<b>Cash flow from financing activities</b>		
Purchase of treasury stock	0	-291,901
Taking out of and repayment of loans	342,865	239,619
Interest paid	-46,550	-24,960
Redemption of lease liabilities	-80,002	-65,397
Dividend payments	-86,408	-86,408
Dividend payments to non-controlling interests	-1,893	-1,893
Outgoing payments to / incoming payments from minority shareholders	-12,634	305,721
<b>Cash flow from financing activities</b>	<b>115,378</b>	<b>74,782</b>
Net increase in cash and cash equivalents	9,587	11,412
Cash and cash equivalents at beginning of fiscal year	27,689	40,523
Currency translation adjustments of cash and cash equivalents	180	274
<b>Cash and cash equivalents at end of fiscal year</b>	<b>37,456</b>	<b>52,209</b>

## GROUP CHANGES IN SHAREHOLDERS' EQUITY

	Capital stock		Capital reserves	Accumulated profit	Treasury shares	
	Units	€k	€k	€k	Units	€k
<b>Balance as of January 1, 2023</b>	<b>194,000,000</b>	<b>194,000</b>	<b>1,966,150</b>	<b>2,835,819</b>	<b>7,284,109</b>	<b>-231,451</b>
Net income				139,027		
Other comprehensive income				0		
<b>Total comprehensive income</b>				<b>139,027</b>		
Purchase of treasury shares					13,899,596	-291,901
Cancelation of treasury shares	-2,000,000	-2,000	-61,550		-2,000,000	63,550
Employee stock ownership plans			-13,825			
Dividend payments				-86,408		
Profit distributions						
Transactions with shareholders			303,689	-1,597		
<b>Balance as of June 30, 2023</b>	<b>192,000,000</b>	<b>192,000</b>	<b>2,194,464</b>	<b>2,886,840</b>	<b>19,183,705</b>	<b>-459,802</b>
<b>Balance as of January 1, 2024</b>	<b>192,000,000</b>	<b>192,000</b>	<b>2,197,720</b>	<b>2,980,528</b>	<b>19,183,705</b>	<b>-459,793</b>
Net income				-68,071		
Other comprehensive income						
<b>Total comprehensive income</b>				<b>-68,071</b>		
Issue of treasury shares				-503	-21,016	503
Employee stock ownership plans			4,408			
Dividend payments				-86,408		
Profit distributions						
Transactions with shareholders				-12,363		
<b>Balance as of June 30, 2024</b>	<b>192,000,000</b>	<b>192,000</b>	<b>2,202,128</b>	<b>2,813,183</b>	<b>19,162,689</b>	<b>-459,290</b>



	Revaluation reserves	Currency translation difference	Equity attributable to shareholders of United Internet AG	Non-controlling interests	Total equity
	€k	€k	€k	€k	€k
	1,283	-15,707	4,750,093	548,297	5,298,390
			139,027	76,035	215,062
	-230	3,606	3,377	2,636	6,013
	-230	3,606	142,404	78,671	221,075
			-291,901		-291,901
			0		0
			-13,825	-8,566	-22,391
			-86,408		-86,408
			0	-1,893	-1,893
		749	302,841	-14,186	288,655
	1,054	-11,352	4,803,204	602,324	5,405,528
	105	-12,535	4,898,024	657,028	5,555,052
			-68,071	55,336	-12,735
		4,035	4,035	1,910	5,945
	0	4,035	-64,036	57,245	-6,791
			0		0
			4,408	1,402	5,811
			-86,408		-86,408
			0	-1,893	-1,893
			-12,363	-271	-12,634
	105	-8,500	4,739,626	713,512	5,453,138

# NOTES TO THE HALF-YEAR FINANCIAL REPORT

## 1. Information on the Company

United Internet AG ("United Internet") is a service company operating in the telecommunication and information technology sector with registered offices at Elgendorfer Strasse 57, 56410 Montabaur, Germany. The Company is registered at the district court of Montabaur under HRB 5762.

## 2. Significant accounting, measurement, and consolidation principles

As was the case with the Consolidated Financial Statements as of December 31, 2023, the interim reporting of United Internet AG as of June 30, 2024 was prepared in compliance with the International Financial Reporting Standards (IFRS) as applicable in the European Union (EU).

The condensed Interim Consolidated Financial Statements for the period January 1, 2024 to June 30, 2024 were prepared in accordance with IAS 34 Interim Financial Reporting.

A condensed reporting format was chosen for the presentation of these Interim Consolidated Financial Statements, as compared with the Consolidated Financial Statements, and are thus to be read in conjunction with the Consolidated Financial Statements as of December 31, 2023. With the exception of the mandatory new standards described below as well as changes in the presentation of key financial figures, the accounting and measurement principles applied in the condensed Interim Consolidated Financial Statements, as well as the material judgments and estimates, comply with the methods applied in the previous year.

United Internet AG's shareholding in Kublai GmbH decreased from 40% as of December 31, 2023 to around 5% as of June 30, 2024.

On June 14, 2024, United Internet AG announced that it would make no further investments in Kublai GmbH, which holds 95% of Tele Columbus AG. United Internet thus waived the right to increase the dilution of its shares in Kublai to around 5% back to 40% following a capital increase in Q1 2024, which resulted in a non-cash impairment loss of € 170,533k due to the loss of significant influence. As a result, the investment was reclassified from "Investments in associates" to "Other non-current financial assets" (see also Notes 6 and 7).

United Internet is convinced that the valuation of Tele Columbus AG on which the capital increase was based is significantly too low and that the dilution of the shares held by United Internet is therefore too far-reaching, and now plans to initiate anti-dilution proceedings to have the valuation of Tele Columbus reviewed.

In March 2024, the Management Board and Supervisory Board decided to discontinue the "Energy" and "De-Mail" business fields in the Consumer Applications segment. The balance of assets and liabilities resulting from the discontinuation is not material.

## Mandatory adoption of new accounting standards

The following standards were mandatory in the EU for the first time in the fiscal year beginning January 1, 2024:

Standard		Mandatory for fiscal years beginning on or after	Endorsed by EU Commission
IAS 1	Amendment: Classification of the criteria for classifying liabilities as current or non-current and clarification in relation to non-current liabilities with covenants	January 01, 2024	yes
IFRS 16	Amendment: Lease liabilities in the event of a sale and leaseback transaction	January 01, 2024	yes
IAS 7 / IFRS 7	Amendment: Clarifies the disclosure of supplier finance arrangements	January 01, 2024	yes

There were no significant effects on these Interim Consolidated Financial Statements from the initial application of the new accounting standards.

Of the jurisdictions to be included for Pillar Two purposes, the following have already enacted final implementing legislation: Germany, France, Austria, Romania, and the UK. The following jurisdictions have already published draft legislation for corresponding implementation: Canada, Poland, and Spain.

The regulations on global minimum taxation in Germany came into force on December 28, 2023, in the form of the Minimum Tax Act ("Mindeststeuergesetz"). Under this law, the Group will be subject to the German regulations on global minimum taxation as of the fiscal year 2024. Following a comprehensive analysis, Romania may qualify as a low-tax country, which could result in an additional annual tax burden in the low five-digit euro range.

## Use of estimates and assumptions

The preparation of the condensed Interim Consolidated Financial Statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, the uncertainty associated with these assumptions and estimates could lead to results which require material adjustments to the carrying amount of the asset or liability affected in future periods.

For the determination of lease terms in accordance with IFRS 16, certain discretionary decisions are made that take into account renewal or termination options.

## Impact of geopolitical crises

Uncertainties regarding the current development of business, which already existed as of December 31, 2023, arise from numerous geopolitical crises and trade policy conflicts.

## Impact of the current economic situation

The Company is well positioned due to its long-term subscription business. Nevertheless, the impact of the current economic situation and the current inflation rates is apparent from a slight increase in credit default.

### Miscellaneous

The Interim Consolidated Financial Statements include all significant subsidiaries and associated companies.

The consolidated group remained largely unchanged from that stated in the Consolidated Financial Statements as at December 31, 2023.

These Interim Consolidated Financial Statements were not audited according to Sec. 317 HGB nor reviewed by an auditor.

## EXPLANATION OF ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

### 3. Segment reporting

According to IFRS 8, the identification of operating segments to be included in the reporting process is based on the so-called management approach. External reporting should therefore be based on the Group's internal organization and management structure, as well as internal financial reporting to the "Chief Operating Decision Maker". In the United Internet Group, the Management Board is responsible for assessing and controlling the success of the various segments.

The Management Board of United Internet AG mainly controls operations on the basis of key earnings figures. It measures segment success primarily on the basis of sales revenues, earnings before interest, taxes, depreciation and amortization (EBITDA), and the result of ordinary operations (EBIT). Transactions between segments are charged at market prices. Sales revenues outside Germany stated for information purposes are allocated to the country in which the company is domiciled.

The reconciliation of earnings before taxes (EBT) represents the corresponding EBT contribution of the "Consumer Access" and "Business Access" segments, and the segments "Consumer Applications" and "Business Applications".

As of the reporting date, the closing balances of capitalized contract costs for contract initiations amounted to € 231 million (prior year: € 218 million) and for contract fulfillment costs to € 96 million (prior year: € 85 million).

Sales of the Consumer Access segment from customer contracts include hardware sales of € 363 million in the reporting period (prior year: € 403 million). The other business segments only include sales from services.

Segment reporting of United Internet AG for the reporting period January 1 to June 30, 2024 and for the comparative period January 1 to June 30, 2023 was as follows:

January - June 2024 (€m)	Consumer Access segment	Business Access segment	Consumer Applications segment	Business Applications segment	Corporate segment	Reconciliation	United Internet Group
Segment revenue	2,015.9	283.2	157.8	751.6	76.1	-171.4	3,113.3
- thereof domestic	2,015.9	283.2	156.8	429.2	76.1	-171.4	2,789.9
- thereof foreign	0.0	0.0	1.0	322.4	0.0	0.0	323.4
Segment revenue from transactions with other segments	8.5	50.8	15.8	22.8	73.5	0.0	171.4
Segment revenue from contracts with customers	2,007.5	232.4	142.0	728.8	2.6	0.0	3,113.3
- thereof domestic	2,007.5	232.4	141.0	406.4	2.6	0.0	2,789.9
- thereof foreign	0.0	0.0	1.0	322.4	0.0	0.0	323.4
EBITDA	326.6	78.7	53.2	207.4	1.5	-5.7	661.6
EBIT	196.2	-42.2	48.3	152.8	2.2	-10.6	346.7
Financial result							-61.5
Result from associated companies							-200.8
EBT							84.4
Income taxes							-97.2
<b>Net income</b>							<b>-12.7</b>
Investments in intangible assets, property, plant and equipment (without goodwill)	232.8	293.4	8.5	33.7	5.7	-0.2	573.9
Amortization/depreciation	130.4	120.9	4.8	54.6	6.2	-2.1	314.9
- thereof intangible assets, and property, plant and equipment	88.1	116.5	4.8	44.3	6.2	-2.1	257.9
- thereof assets capitalized during company acquisitions	42.3	4.4	0.0	10.3	0.0	0.0	57.0
Number of employees	3,372	1,592	1,070	4,306	626		10,966
- thereof domestic	3,372	1,592	1,067	2,332	626		8,989
- thereof foreign	0	0	3	1,974	0		1,977

January - June 2023 (€m)	Consumer Access segment	Business Access segment	Consumer Applications segment	Business Applications segment	Corporate segment	Reconciliation	United Internet Group
Segment revenue	1,993.1	270.8	141.0	708.6	68.6	-154.0	3,028.1
- thereof domestic	1,993.1	270.8	139.9	366.7	68.6	-149.4	2,689.7
- thereof foreign	0.0	0.0	1.1	341.9	0.0	-4.6	338.4
Segment revenue from transactions with other segments	7.5	44.7	13.8	22.5	65.5		154.0
Segment revenue from contracts with customers	1,985.6	226.1	127.2	686.1	3.1		3,028.1
- thereof domestic	1,985.6	226.1	126.1	348.8	3.1		2,689.7
- thereof foreign	0.0	0.0	1.1	337.3	0.0		338.4
EBITDA	352.0	77.2	43.3	204.0	-12.6	0.2	664.1
EBIT	254.1	-24.2	38.5	150.4	-18.2	1.9	402.5
Financial result							-42.3
Result from associated companies							-23.2
EBT							337.0
Income taxes							-121.9
<b>Net income</b>							<b>215.1</b>
Investments in intangible assets, property, plant and equipment (without goodwill)	111.7	231.9	9.7	37.4	7.6		398.3
Amortization/depreciation	97.9	101.4	4.8	53.6	5.6		261.6
- thereof intangible assets, and property, plant and equipment	55.6	96.9	4.8	43.4	5.6		204.6
- thereof assets capitalized during company acquisitions	42.3	4.5	0.0	10.2	0.0		57.0
Number of employees	3,237	1,414	1,057	4,330	649		10,687
- thereof domestic	3,237	1,414	1,054	2,336	649		8,690
- thereof foreign	0	0	3	1,994	0		1,997

## 4. Personnel expenses

Personnel expenses amounted to € 404,446k in the reporting period of 2024 (prior year: € 370,279k). At the end of June 2024, United Internet employed a total of 10,966 people, of which 1,977 were employed outside Germany. The number of employees at the end of June 2023 amounted to 10,687 people, of which 1,997 were employed outside Germany.

## 5. Depreciation and amortization

Depreciation and amortization of intangible assets and property, plant and equipment amounted to € 257,900k (prior year: € 204,669k).

Amortization of capitalized intangible assets resulting from business combinations amounted to € 57,022k (prior year: € 56,989k).

In the reporting period of 2024, total depreciation and amortization of intangible assets and property, plant and equipment thus amounted to € 314,922k (prior year: € 261,658k).



## EXPLANATIONS OF BALANCE SHEET ITEMS

Explanations are only given for those items which display notable changes in the amounts presented as compared with the last consolidated financial statements.

### 6. Shares in associated companies

The following table gives an overview of the development of shares in associated companies:

€k	June 30, 2024	December 31, 2023
Carrying amount at the beginning of the fiscal year	373,205	429,304
Additions	1,007	2,866
Adjustments		
- distribution	-123	-156
- Shares in result	-30,226	-58,134
- Expense from loss of significant influence	-170,533	0
- Other	0	-675
Disposals	-52,454	0
<b>Shares in associated companies</b>	<b>120,876</b>	<b>373,205</b>

The shares in earnings mostly relate to the investment in Kublai GmbH, which in turn holds shares in Tele Columbus. Due to the reduction in the shareholding from 40% as of December 31, 2023 to a shareholding of around 5% in the fiscal year 2024 incurring expenses of 170,533 €k and the shares were reclassified from shares in associated companies to investments.

### 7. Other financial assets

#### Other current financial assets

The following table shows the composition of other current financial assets as of June 30, 2024 and as of December 31, 2023:

€k	June 30, 2024	December 31, 2023
Receivables from advance service providers	51,205	31,697
Derivatives	34,110	14,852
Payments on account	29,194	11,738
Creditors with debit balance	6,326	15,754
Arsys subsidies	2,306	8,964
Deposits	1,577	1,081
Others	17,061	12,785
<b>Other financial assets, net</b>	<b>141,779</b>	<b>96,871</b>

## Other non-current financial assets

Other non-current financial assets of € 63,170k (prior year: € 8,346k) mainly include the investment in Kublai GmbH amounting to € 55,054k, which was reclassified from shares in associated companies to investments following the reduction in the shareholding from 40% as of December 31, 2023 to a shareholding of around 5% in the fiscal year 2024. In addition, other non-current financial assets comprise loans, mainly to related parties, of € 5,736k (prior year: € 5,713k), other investments of € 2,116k (prior year: € 1,975k), and other financial assets of € 264k (prior year: € 658k).

## 8. Property, plant and equipment, intangible assets, and goodwill

A total of € 573,911k (prior year: € 398,284k) was invested in property, plant and equipment, as well as in intangible assets during the interim reporting period. Investments focused mainly on the renting of further antenna locations in connection with the 1&1 mobile network, as well as on telecommunication equipment, and operational and office equipment.

The Goodwill as of June 30, 2024 is broken down by cash-generating unit the following way:

€k	June 30, 2024	December 31, 2023
Consumer Access	2,178,460	2,178,460
Business Access	398,261	398,261
Consumer Applications	225,868	225,857
Business Applications	828,421	826,271
<b>Goodwill</b>	<b>3,631,010</b>	<b>3,628,849</b>

## 9. Non-current prepaid expenses

Non-current prepaid expenses mainly comprise contract costs (contract initiation and contract fulfillment costs) as well as prepayments made in connection with long-term procurement contracts.

## 10. Liabilities due to banks

€m	Promissory note loan	Other loans	Total
Loan liabilities as at June 30, 2024	1,267.0	1,537.0	2,804.0
Prepaid expenses	-2.9	-2.2	-5.1
Interest liabilities	16.5	15.9	32.4
<b>As of June 30, 2024</b>	<b>1,280.6</b>	<b>1,550.7</b>	<b>2,831.3</b>
<b>Thereof short-term</b>	<b>90.6</b>	<b>353.8</b>	<b>444.4</b>
<b>Thereof long-term</b>	<b>1,190.0</b>	<b>1,196.9</b>	<b>2,386.9</b>

€m	Promissory note loan	Other loans	Total
Loan liabilities as at December 31, 2023	1,162.0	1,294.8	2,456.8
Prepaid expenses	-1.6	-3.5	-5.1
Interest liabilities	8.2	4.4	12.6
<b>As of December 31, 2023</b>	<b>1,168.6</b>	<b>1,295.7</b>	<b>2,464.3</b>
<b>Thereof short-term</b>	<b>233.2</b>	<b>349.2</b>	<b>582.4</b>
<b>Thereof long-term</b>	<b>935.4</b>	<b>946.5</b>	<b>1,881.9</b>

## 11. Other current financial liabilities

Current financial liabilities consist mainly of payment obligations relating to the spectrum auction, marketing and selling expenses, salary liabilities, and liabilities resulting from leases.

## 12. Other non-current financial liabilities

Non-current financial liabilities consist mainly of payment obligations resulting from the spectrum auction, as well as liabilities from leases.

## 13. Capital stock / treasury shares

As of June 30, 2024, the fully paid-in capital stock amounted to € 192,000,000 (prior year: € 192,000,000), divided into 192,000,000 (prior year: 192,000,000) registered no-par shares with a theoretical share in the capital stock of € 1 each.

As of the reporting date, United Internet held 19,162,689 treasury shares (prior year: 19,183,705). The year-on-year decrease of 21,016 shares is due to a transfer of United Internet AG shares from the stock of treasury shares following the exercise of a portion of the Stock Appreciation Rights (SAR United Internet) employee stock ownership plan.

## 14. Reserves

The change in capital reserves is due to employee stock ownership plans.

## OTHER ITEMS

### 15. Employee stock ownership plans

#### **Stock Appreciation Rights (SAR United Internet)**

The expense from stock appreciation rights (SAR United Internet) in the first six months of 2024 amounted to € 184k (prior year: € 536k).

#### **Stock Appreciation Rights 1&1 (SAR 1&1, formerly SAR Drillisch)**

The expense from stock appreciation rights of 1&1 (SAR 1&1 formerly SAR Drillisch) in the first six months of 2024 amounted to € 1,585k (prior year: € 854k).

#### **Long Term Incentive Plan Business Applications (LTIP Hosting) and Stock Appreciation Rights (SAR IONOS)**

In the first six months of 2024, expenses of € 3,563k (prior year: € 2,753k) were incurred in connection with LTIP Hosting and SAR IONOS employee stock ownership plans, as well as the we22 plan.

#### **Long Term Incentive Plan Versatel (LTIP Versatel)**

Expenses for LTIP 1&1 Versatel employee stock ownership plans in the first six months of 2024 amounted to € 1,115k (prior year: € 827k).

#### **Long Term Incentive Plan Portal (LTIP Portal)**

In the first half of 2024, expenses of € 421k were incurred (prior year: income of € 90k received) in connection with LTIP Portal employee stock ownership plans.

## 16. Additional details on financial instruments

The following table presents the carrying amounts of each category of the financial assets and liabilities as of June 30, 2024:

€k	Measurement category acc. to IFRS 9	Carrying amount as of June 30, 2024	Amortized cost	Fair Value	Measurement acc. to IFRS 16	Fair Value as of June 30, 2024
<b>Financial assets</b>						
Cash and cash equivalents	ac	37,456	37,456			37,456
Trade accounts receivable						
- Receivables from finance leases	n.a.	38,019			38,019	34,493
- others	ac	522,509	522,509			522,509
Other current financial assets						
- At amortized cost	ac	107,669	107,669			107,669
- Fair Value	fv	34,110		34,110		34,110
Other non-current financial assets						
- At amortized cost	ac	8,072	8,072			7,791
- Fair Value	fv	55,098		55,098		55,098
<b>Financial liabilities</b>						
Trade accounts payable	flac	-622,952	-622,952			-622,952
Liabilities due to banks	flac	-2,831,253	-2,831,253			-2,833,856
Other financial liabilities						
- Leasing liability	n.a.	-916,362			-916,362	n.a.
- Fair value through profit or loss	fvtpl	-26,052		-26,052		-26,052
- others	flac	-883,616	-883,616			-774,031
<b>Of which aggregated acc. to measurement categories:</b>						
Financial assets at amortized cost	ac	675,706	675,706			675,425
Financial assets at fair value	fv	89,208		89,208		89,208
Financial liabilities at amortized cost	flac	-4,337,821	-4,337,821			-4,230,838
Financial liabilities measured at fair value through profit or loss	fvtpl	-26,052		-26,052		-26,052

The following table presents the carrying amounts of each category of the financial assets and liabilities as of December 31, 2023:

€k	Measurement category acc. to IFRS 9	Carrying amount as of December 31, 2023	Amortized cost	Fair value through profit or loss	Measurement acc. to IFRS 16	Fair Value as of December 31, 2023
<b>Financial assets</b>						
Cash and cash equivalents	ac	27,689	27,689			27,689
Trade accounts receivable						
- Receivables from finance leases	n/a	41,239			41,239	37,429
- others	ac	502,457	502,457			502,457
Other current financial assets						
- At amortized cost	fvtpl	82,020	82,020			82,019
- Fair value through profit or loss	ac	14,852		14,852		14,852
Other non-current financial assets						
- At amortized cost	ac	8,346	8,346			7,981
<b>Financial liabilities</b>						
Trade accounts payable	flac	-702,578	-702,578			-702,578
Liabilities due to banks	flac	-2,464,260	-2,464,260			-2,478,576
Other financial liabilities						
- Leasing liability	n/a	-797,249			-797,249	-
- Fair value through profit or loss	fvtpl	-13,019		-13,019		-13,019
- other *	flac	-852,963	-852,963			-761,409
<b>Of which aggregated acc. to measurement categories:</b>						
Financial assets at amortized cost	ac	620,512	620,512			620,146
Financial assets at fair value through profit or loss	fvtpl	14,852		14,852		14,852
Financial liabilities at amortized cost	flac	-4,019,800	-4,019,800			-3,942,563
Financial liabilities measured at fair value through profit or loss	fvtpl	-13,019		-13,019		-13,019

\* Adjusted. Due to their nature, salary liabilities have been reclassified from financial to non-financial liabilities and are thus no longer included in this item.

The conditional purchase price liabilities are carried at fair value. In the case of the remaining other non-current financial liabilities carried at amortized cost, it is assumed that their carrying amounts correspond to fair value.

The methods and assumptions used to determine fair values are shown below:

- Cash and short-term deposits, trade accounts receivable, trade accounts payable, and other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at June 30, 2024, and as in the previous year, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.
- The fair value of bank loans and other financial liabilities is estimated by discounting future cash flows using interest rates currently available for debt on similar terms, credit risk and remaining maturities.
- Financial assets and liabilities measured at fair value are measured using appropriate measurement techniques. Where available, stock exchanges prices on active markets are used. The valuation of shares in non-listed companies is based mainly on present value models. The valuation of derivatives and conditional purchase price liabilities is based mainly option pricing models.

## Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by measurement technique:

**Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

**Assets and liabilities measured at fair value**

€k	As of June 30, 2024	Level 1	Level 2	Level 3
Financial assets at fair value	89,208	50		89,158
Shares in companies	55,054			55,054
Derivatives	34,154	50		34,104
Financial liabilities measured at fair value through profit or loss	-26,052			
Purchase price liabilities	-25,119			-25,119
Derivatives	-933	-933		

€k	as of December 31, 2023	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss	14,852	36		14,816
Derivatives	14,852	36		14,816
Financial liabilities measured at fair value through profit or loss	-13,019			
Purchase price liabilities	-10,922			-10,922
Derivatives	-2,097	-2,097		

As in the previous year, there were no transfers between levels during the reporting period.



The following table shows the main non-observable input factors for the fair value measurements categorized in Level 3 of the fair value hierarchy and a quantitative sensitivity analysis as of June 30, 2024:

	Measurement method	Main non-observable input factors	Considered in measurement	Sensitivity of input factor on fair value	
Foreign currency-based derivatives	Monte Carlo simulation	Exit date of Warburg Pincus from Business Application segment	1 year	1.25 years	0.75 years
				-0.4 €m	+0.5 €m
				Volatility	4.2%
				+0.5 €m	-0.4 €m
Earnings-based derivatives	Black Scholes model	Exit date of Warburg Pincus from Business Application segment	1 year	1.25 years	0.75 years
				-1.5 €m	+1.9 €m
				Volatility	37.0%
				-0.4 €m	+0.4 €m
Conditional purchase price liability	Black Scholes model	Exit date of Warburg Pincus from Business Application segment	1 year	1.25 years	0.75 years
				-1.2 €m	+1.6 €m
				Volatility	37.0%
				-0.3 €m	+0.3 €m

The following table shows the main non-observable input factors for the fair value measurements categorized in Level 3 of the fair value hierarchy and a quantitative sensitivity analysis as of December 31, 2023:

Dec. 31, 2023	Measurement method	Main non-observable input factors	Considered in measurement	Sensitivity of input factor on fair value	
Foreign currency-based derivatives	Monte Carlo simulation	Exit date of Warburg Pincus from Business Application segment	0.25 years	0.5 years	n.a.
				-0.2 €m	n.a.
				Volatility	5.8%
				+ 0.2 €m	-0.2 €m
Earnings-based derivatives	Black-Scholes model	Exit date of Warburg Pincus from Business Application segment	0.25 years	0.5 years	n.a.
				+1.9 €m	n.a.
				Volatility	33.7%
				+ 0.2 €m	-0.2 €m
Conditional purchase price liability	Black-Scholes model	Exit date of Warburg Pincus from Business Application segment	0.25 years	0.5 years	n.a.
				+1.2 €m	n.a.
				Volatility	33.7%
				+ 0.1 €m	-0.1 €m

## 17. Transactions with related parties

IAS 24 defines related parties as those persons and companies that control or can exert a significant influence over the other party. Mr. Ralph Dommermuth, the major shareholder, as well as the members of the Management Board and Supervisory Board of United Internet AG, were classified as related parties.

The circle of related parties was unchanged as compared with the reporting date as at December 31, 2023.

The number of shares and subscription rights in United Internet AG held directly or indirectly by members of the Management Board and Supervisory Board as of June 30, 2024 is shown in the following table:

Management Board	Shares (number)
Ralph Dommermuth	93,955,205
Ralf Hartings	21,016
Markus Huhn	500
<b>Total</b>	<b>93,976,721</b>

Supervisory Board	Shares (number)
Philipp von Bismarck	0
Prof. Dr. Franca Ruhwedel	0
Dr. Manuel Cubero del Castillo-Oliveras	0
Stefan Rasch	12,500
Prof. Dr. Andreas Söffing	3,500
Prof. Dr. Yasmin Weiß	0
<b>Total</b>	<b>16,000</b>

United Internet's premises in Montabaur and Karlsruhe are leased in part from Mr. Ralph Dommermuth. The resulting rent expenses are customary and amounted to € 7,884k in the reporting period (prior year: € 7,590k).

In addition, the United Internet Group can exert a material influence on its associated companies.

There were no other significant transactions.

## 18. Subsequent events

There were no significant events at United Internet subsequent to the end of the reporting period on June 30, 2024 which had a major impact on the financial position and performance of the Company or Group with effects on accounting and reporting.

## NET INCOME

Quarterly development in € million

	2023	2023	2024	2024	2023
	Q3	Q4	Q1	Q2	Q2
Sales	1,560.8	1,624.3	1,571.6	1,541.7	1,489.8
Cost of sales	-1,040.1	-1,108.2	-1,036.9	-1,052.7	-973.8
Gross profit	520.7	516.1	534.6	489.1	516.0
Selling expenses	-233.8	-255.9	-247.8	-238.6	-215.9
General and administrative expenses	-75.7	-64.0	-73.3	-75.4	-66.1
Other operating expenses / income	8.6	-1.0	7.8	19.8	12.5
Impairment losses on receivables and contract assets	-29.6	-33.9	-35.6	-33.9	-28.9
<b>Operating result</b>	<b>190.1</b>	<b>161.3</b>	<b>185.7</b>	<b>161.0</b>	<b>217.6</b>
Financial result	-26.6	-29.3	-32.9	-28.6	-22.5
Result from associated companies	-12.8	-22.1	-12.1	-188.6	-15.5
<b>Pre-tax result</b>	<b>150.7</b>	<b>109.9</b>	<b>140.7</b>	<b>-56.3</b>	<b>179.6</b>
Income taxes	-58.5	-55.0	-53.2	-43.9	-68.5
<b>Net income</b>	<b>92.2</b>	<b>55.0</b>	<b>87.5</b>	<b>-100.2</b>	<b>111.1</b>
Attributable to					
- non-controlling interests	25.3	28.2	29.4	26.0	45.6
- shareholders of United Internet AG	66.9	26.8	58.1	-126.2	65.5
<b>Result per share of shareholders of United Internet AG (in €)</b>					
- undiluted	0.39	0.17	0.34	-0.73	0.38
- diluted	0.39	0.15	0.34	-0.72	0.38

Montabaur, August 8, 2024

United Internet AG



Ralph Dommermuth



Ralf Hartings



Markus Huhn

## RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles for interim reporting, the Interim Consolidated Financial Statements give, in compliance with generally accepted accounting principles, a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining fiscal year.

Montabaur, August 8, 2024

The Management Board



Ralph Dommermuth



Ralf Hartings



Markus Huhn

## FINANCIAL CALENDAR 2024

<b>March 21, 2024</b>	Annual financial statements for fiscal year 2023 Press and analyst conference
<b>May 8, 2024</b>	Quarterly Statement Q1 2024
<b>May 17, 2024</b>	Annual Shareholders' Meeting 2024, Alte Oper Frankfurt/Main
<b>August 8, 2024</b>	6-Month Report 2024 Press and analyst conference
<b>November 12, 2024</b>	Quarterly Statement Q3 2024

## IMPRINT

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### **Notes:**

Due to calculation processes, tables and references may produce rounding differences from the mathematically exact values (monetary units, percentage statements, etc.).

This interim statement is available in German and English. Both versions can also be downloaded from [www.united-internet.de](http://www.united-internet.de). In all cases of doubt, the German version shall prevail.

For reasons of better readability, the additional use of the female form is omitted in this interim statement. United Internet would like to stress that the use of the masculine form is to be understood purely as the gender-neutral form.

### **Disclaimer**

This interim statement contains certain forward-looking statements which reflect the current views of United Internet AG's management with regard to future events. These forward-looking statements are based on our currently valid plans, estimates and expectations. Forward-looking statements are only based on those facts valid at the time when the statements were made. Such statements are subject to certain risks and uncertainties, as well as other factors which United Internet often cannot influence but which might cause our actual results to be materially different from any future results expressed or implied by these statements. Such risks, uncertainties and other factors are described in detail in the Risk Report section of the Annual Reports of United Internet AG. United Internet AG does not intend to revise or update such forward-looking statements.

**United Internet AG**

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