



**Interim Statement
Q3 2024**

SELECTED KEY FIGURES

	Sept. 30, 2024	Sept. 30, 2023	Change
NET INCOME (in € million)			
Sales ⁽¹⁾	4,660.7	4,568.3	+ 2.0%
EBITDA ⁽¹⁾	978.4	992.7	- 1.4%
EBIT ⁽¹⁾	529.5	596.3	- 11.2%
EBT ⁽¹⁾	397.8	491.4	- 19.0%
EPS (in €) ⁽¹⁾	0.82	1.22	- 32.8%
BALANCE SHEET (in € million)			
Current assets	1,880.1	1,834.2	+ 2.5%
Non-current assets	9,708.2	9,087.8	+ 6.8%
Equity	5,510.0	5,498.3	+ 0.2%
Equity ratio	47.5%	50.3%	
Total assets	11,588.3	10,922.0	+ 6.1%
CASH FLOW (in € million)			
Operative cash flow	818.3	784.3	+ 4.3%
Cash flow from operating activities	474.7	570.6	- 16.8%
Cash flow from investing activities	- 431.6	- 506.3	
Free cash flow ⁽²⁾	- 43.5	- 14.1	
EMPLOYEES			
Total headcount as of September 30	10,968	10,761	+ 1.9%
thereof in Germany	8,971	8,772	+ 2.3%
thereof abroad	1,997	1,989	+ 0.4%
SHARE (in €)			
Share price as of September 30 (Xetra)	18.47	20.26	- 8.8%
CUSTOMER CONTRACTS (in million)			
Consumer Access, total contracts	16.35	16.11	+ 0.24
thereof Mobile Internet	12.38	12.10	+ 0.28
thereof broadband connections	3.97	4.01	- 0.04
Consumer Applications, total accounts	41.66	42.51	- 0.85
thereof with Premium Mail subscription (contracts)	2.16	1.98	+ 0.18
thereof with Value-Added subscription (contracts)	0.82	0.76	+ 0.06
thereof free accounts	38.68	39.77	- 1.09
Business Applications, total contracts	9.54	9.30	+ 0.24
thereof in Germany	4.62	4.56	+ 0.06
thereof abroad	4.92	4.74	+ 0.18
Fee-based customer contracts, total	28.87	28.15	+ 0.72

(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

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Dear shareholders, employees, and business associates,

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

We once again invested in the acquisition of 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 420,000 contracts to 28.87 million. Of this amount, 90,000 new contracts were added in the Consumer Access segment and 150,000 contracts in the Business Applications segment. We gained a further 180,000 contracts in the Consumer Applications segment.

Sales grew by 2.0% in the first nine months of 2024, from € 4,568.3 million in the previous year to € 4,660.7 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 (€ -74.4 million compared to 9M 2023), as well as lower after-market sales in the Business Applications segment (€ -10.6 million compared to 9M 2023). These low-margin hardware and after-market revenues only have a very minor impact on earnings.

Operating EBITDA amounted to € 978.4 million in the first nine months of 2024 (prior year: € 992.7 million). This figure contains increased expenses for the rollout of 1&1's mobile network of € -167.1 million (prior-year period: € -73.8 million), including out-of-period expenses of € -14.3 million.

In addition to network rollout costs and out-of-period expenses, operating EBIT was additionally burdened by increased depreciation of € -363.5 million (prior year: € -310.9 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 € 529.5 million (prior year: € 596.3 million).

Adjusted for a non-cash writedown on our investment in Kublai / Tele Columbus (EPS effect: € -0.99), operating EPS declined from € 1.22 to € 0.82. This was mainly due to the development of EBIT (EPS effect: € -0.26), as well as increased interest expenses (EPS effect: € -0.14).

Cash capex in the first nine months of 2024 amounted to € 441.9 million (prior year: € 461.5 million without M&A).

In the course of adjusting the guidance for service revenues 2024 by 1&1 AG, United Internet is also updating its sales guidance for 2024 and now expects an increase to approx. € 6.35 billion (previous guidance: approx. € 6.4 billion; 2023: € 6.213 billion). At the same time, the Company is confirming its earnings guidance for 2024: EBITDA is still 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 (prior year: € 1.30 billion). Cash capex is still likely to be 15-25% above the prior-year figure (2023: € 756.0 million).

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 nine months of 2024, 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, November 12, 2024



Ralph Dommermuth

INTERIM STATEMENT ON THE THIRD QUARTER OF 2024

Special items in the first nine months of 2024

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 € 20.6 million in the prior-year period and € 19.9 million in the first nine months of 2024, while the earnings contributions amounted to € -2.1 million (EBITDA and EBIT) in the prior-year period and € -0.2 million (EBITDA) and € -0.3 million (EBIT) in the first nine months 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 has since initiated the contractually stipulated anti-dilution proceedings and arranged for a review of MSI's valuation by the German Arbitration Institute ("Deutsche Institution für Schiedsgerichtsbarkeit" - DIS). Should DIS agree 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 was 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.

Business development

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 nine months of 2024. While broadband connections fell slightly by 40,000 contracts to 3.97 million (-20,000 in Q3 2024), mobile internet contracts increased by 130,000 to 12.38 million contracts (+20,000 in Q3 2024). The growth in mobile contracts in particular was thus lower than expected. This was primarily attributable to effects from the network migration of existing customers, as well as contract terminations in connection with the temporary disruption of the mobile network in late May 2024. For the fourth quarter, a similar development in broadband connections is expected as in Q3 2024, while the number of mobile contracts is expected to increase more strongly again.

Development of Consumer Access contracts in the first nine months of 2024

in million	Sept. 30, 2024	Dec. 31, 2023	Change
Consumer Access, total contracts	16.35	16.26	+ 0.09
thereof Mobile Internet	12.38	12.25	+ 0.13
thereof broadband connections	3.97	4.01	- 0.04

Development of Consumer Access contracts in the third quarter of 2024

in million	Sept. 30, 2024	June 30, 2024	Change
Consumer Access, total contracts	16.35	16.35	0.00
thereof Mobile Internet	12.38	12.36	+ 0.02
thereof broadband connections	3.97	3.99	- 0.02

Sales of the Consumer Access segment fell by -0.5% in the first nine months of 2024, from € 3,031.8 million in the previous year to € 3,017.2 million. High-margin **service revenues** – which represent the core business of the segment and were impacted by weaker contract growth – rose by 2.5% from € 2,418.9 million in the previous year to € 2,478.7 million in the first nine months of 2024. At € 538.5 million, low-margin **hardware sales** were -12.1% or € -74.4 million down on the previous year (€ 612.9 million). Hardware business is subject to seasonal fluctuations and also depends on the appeal of new devices and the model cycles of manufacturers.

Burdened by slower contract growth and lower savings on advance service costs (due to delays in the network migration of existing customers), **segment EBITDA** amounted to € 463.0 million (prior year: € 511.1 million). This figure contains increased expenses for the rollout of 1&1's mobile network of € -167.1 million (prior year: € -73.8 million), including out-of-period expenses of € -14.3 million.

Due to these expenses and increased depreciation for investments in the establishment of the 1&1 mobile network, **segment EBIT** of € 287.5 million was below the prior-year figure (€ 363.7 million).

The **EBITDA margin** decreased accordingly from 16.9% to 15.3% and the **EBIT margin** from 12.0% to 9.5%.

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

	9M 2024	9M 2023	
Sales	3,017.2	3,031.8	- 0.5%
thereof service sales	2,478.7	2,418.9	+ 2.5%
thereof other sales ⁽¹⁾	538.5	612.9	- 12.1%
EBITDA	463.0 ⁽²⁾	511.1	- 9.4%
EBIT	287.5 ⁽²⁾	363.7	- 21.0%

(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	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q3 2023	Change
Sales	1,064.9	1,024.4	991.5	1,001.3	1,038.7	- 3.6%
thereof service sales	824.3	821.9	823.0	833.8	834.3	- 0.1%
thereof other sales ⁽¹⁾	240.6	202.5	168.5	167.5	204.4	- 18.1%
EBITDA	142.7	182.3	144.3 ⁽²⁾	136.4	159.1	- 14.3%
EBIT	92.1	117.9	78.2 ⁽²⁾	91.4	109.6	- 16.6%

(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	9M 2020	9M 2021	9M 2022	9M 2023	9M 2024
Sales	2,813.7	2,902.1	2,950.3	3,031.8	3,017.2
thereof service sales	2,257.7	2,335.8	2,386.7	2,418.9	2,478.7
thereof other sales ⁽¹⁾	556.0	566.3	563.6	612.9	538.5
EBITDA	475.8	512.6 ⁽²⁾	549.0	511.1	463.0 ⁽³⁾
EBITDA margin	16.9%	17.7%	18.6%	16.9%	15.3%
EBIT	360.3	391.1 ⁽²⁾	428.8	363.7	287.5 ⁽³⁾
EBIT margin	12.8%	13.5%	14.5%	12.0%	9.5%

(1) Mainly hardware sales

(2) Excluding a 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)

Besides its operating business, the main focus of the Consumer Access segment was on the operation and further expansion of the 1&1 mobile network.

The national roaming partnership with Vodafone was launched in late August. The partnership enables 1&1 to offer its mobile customers high network quality even in those areas where 1&1 does not yet have its own coverage during the 1&1 O-RAN rollout phase. National roaming via Vodafone will be available to all 1&1 mobile customers by the end of 2025. At the same time, the national roaming advance services previously procured from Telefónica will be completely phased out.

1&1 also made good progress in its key objective of expanding the 1&1 mobile network as quickly as possible and making OpenRAN technology available in an increasing number of areas. At the end of the third quarter, the company had 2,016 antenna locations, which will be successively connected via fiber-optic cable and equipped with gigabit antennas. Moreover, 966 lease agreements have been signed for the construction of new locations.

Development of the Business Access segment

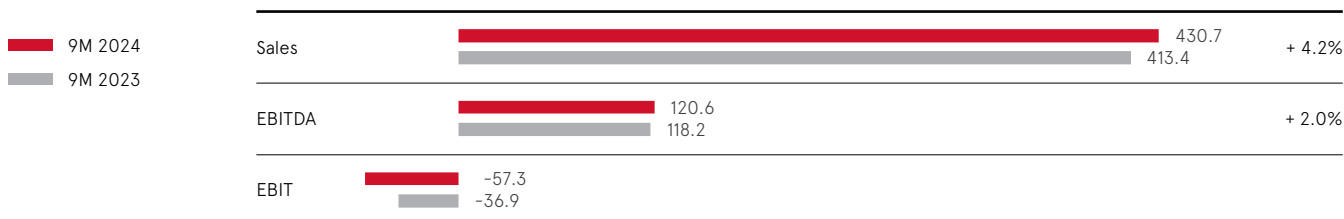
Sales of the Business Access segment rose by 4.2% in the first nine months of 2024, from € 413.4 million in the previous year to € 430.7 million.

Despite start-up costs for new business fields, **segment EBITDA** improved by 2.0% from € 118.2 million to € 120.6 million. The **EBITDA margin** fell slightly from 28.6% to 28.0%.

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 the other 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 nine months of 2024, total start-up costs for the new business fields amounted to € -22.0 million (prior year: € -17.1 million) for EBITDA and € -79.7 million (prior year: € -47.1 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 € -36.9 million in the previous year to € -57.3 million.

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



Quarterly development; change over prior-year quarter

in € million	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q3 2023	Change
Sales	150.6	141.7	141.5	147.5	142.6	+ 3.4%
EBITDA	44.7	35.4	43.3	41.9	41.0	+ 2.2%
EBIT	- 14.6	- 23.6	- 18.6	- 15.1	- 12.7	

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

in € million	9M 2020	9M 2021	9M 2022	9M 2023	9M 2024
Sales	366.6	382.7	399.2	413.4	430.7
EBITDA	113.4	117.6	112.2	118.2	120.6
EBITDA margin	30.9%	30.7%	28.1%	28.6%	28.0%
EBIT	- 34.7	- 17.6	- 31.4	- 36.9	- 57.3
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 180,000 to 2.98 million in the first nine months of 2024. At 38.68 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 nine months of 2024

in million	Sept. 30, 2024	Dec. 31, 2023	Change
Consumer Applications, total accounts	41.66	42.73	- 1.07
thereof with Premium Mail subscription (contracts)	2.16 ⁽¹⁾	2.03 ⁽¹⁾	+ 0.13
thereof with Value-Added subscription (contracts)	0.82 ⁽¹⁾	0.77 ⁽¹⁾	+ 0.05
thereof free accounts	38.68	39.93	- 1.25

Development of Consumer Applications accounts in the third quarter of 2024

in million	Sept. 30, 2024	June 30, 2024	Change
Consumer Applications, total accounts	41.66	41.66	0.00
thereof with Premium Mail subscription (contracts)	2.16 ⁽¹⁾	2.11 ⁽¹⁾	+ 0.05
thereof with Value-Added subscription (contracts)	0.82 ⁽¹⁾	0.80 ⁽¹⁾	+ 0.02
thereof free accounts	38.68	38.75	- 0.07

(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 10.3% to € 237.5 million in the first nine months of 2024, compared to € 215.3 million in the same period last year. Adjusted for sales of € 20.6 million in the prior-year period and € 19.9 million in the first nine months of 2024 from Energy and De-Mail, **sales of the Consumer Applications segment** rose by 11.8%, from € 194.7 million to € 217.6 million.

There was also significant growth in key earnings figures: EBITDA rose by 14.9%, from € 68.5 million in the prior-year period to € 78.7 million, and EBIT by 16.7% from € 61.2 million to € 71.4 million in the first nine months of 2024. These figures include EBITDA and EBIT contributions from Energy and De-Mail of € -2.1 million each in the prior-year period and € -0.2 million (EBITDA) and € -0.3 million (EBIT) in the first nine months of 2024.

Adjusted for the slightly negative earnings contributions from Energy and De-Mail, **operating segment EBITDA** increased in line with sales by 11.8% from € 70.6 million to € 78.9 million and **operating segment EBIT** by 13.3% from € 63.3 million to € 71.7 million.

Correspondingly, the **operating EBITDA margin** was unchanged at 36.3%, while the **operating EBIT margin** rose from 32.5% to 33.0%.

Further good sales growth is expected for the remainder of fiscal year 2024. 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)

	9M 2024	9M 2023	Change
Sales	217.6 ⁽¹⁾	194.7 ⁽²⁾	+ 11.8%
EBITDA	78.9 ⁽¹⁾	70.6 ⁽²⁾	+ 11.8%
EBIT	71.7 ⁽¹⁾	63.3 ⁽²⁾	+ 13.3%

(1) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 19.9 million; EBITDA contribution: € -0.2 million; EBIT contribution: € -0.3 million)

(2) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 20.6 million; EBITDA contribution: € -2.1 million; EBIT contribution: € -2.1 million)

Quarterly development; change over prior-year quarter

in € million	Q4 2023 ⁽¹⁾	Q1 2024 ⁽¹⁾	Q2 2024 ⁽¹⁾	Q3 2024 ⁽¹⁾	Q3 2023 ⁽¹⁾	Change
Sales	82.2	71.1	73.3	73.2	67.6	+ 8.3%
EBITDA	35.5	23.8	30.1	25.0	24.3	+ 2.9%
EBIT	33.2	21.3	27.7	22.7	21.8	+ 4.1%

(1) Excluding the sales and earnings contributions from Energy and De-Mail (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: € 6.5 million, EBITDA contribution: € +0.5 million, EBIT contribution: € +0.4 million in Q3 2024; sales contribution: € 6.7 million, EBITDA contribution: € +0.9 million, EBIT contribution: € +0.9 million in Q3 2023)

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

in € million	9M 2020	9M 2021	9M 2022	9M 2023	9M 2024
Sales	185.2	204.2	211.5	194.7 ⁽³⁾	217.6 ⁽⁴⁾
EBITDA	59.0	70.1 ⁽¹⁾	70.3 ⁽²⁾	70.6 ⁽³⁾	78.9 ⁽⁴⁾
EBITDA margin	31.9%	34.3%	33.2%	36.3%	36.3%
EBIT	53.4	63.3 ⁽¹⁾	62.9 ⁽²⁾	63.3 ⁽³⁾	71.7 ⁽⁴⁾
EBIT margin	28.8%	31.0%	29.7%	32.5%	33.0%

(1) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +3.0 million)

(2) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +12.2 million)

(3) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 20.6 million; EBITDA contribution: € -2.1 million; EBIT contribution: € -2.1 million)

(4) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 19.9 million; EBITDA contribution: € -0.2 million; EBIT contribution: € -0.3 million)

Development of the Business Applications segment

The number of **fee-based Business Applications contracts** increased by 150,000 contracts in the first nine months of 2024. This growth resulted from 30,000 contracts in Germany and 120,000 contracts abroad. As a result, the total number of contracts rose to 9.54 million.

Development of Business Applications contracts in the first nine months of 2024

in million	Sept. 30, 2024	Dec. 31, 2023	Change
Business Applications, total contracts	9.54	9.39	+ 0.15
thereof in Germany	4.62	4.59	+ 0.03
thereof abroad	4.92	4.80	+ 0.12

Development of Business Applications contracts in the third quarter of 2024

in million	Sept. 30, 2024	June 30, 2024	Change
Business Applications, total contracts	9.54	9.52	+ 0.02
thereof in Germany	4.62	4.61	+ 0.01
thereof abroad	4.92	4.91	+ 0.01

Sales of the Business Applications segment rose by 7.8% in the first nine months of 2024, from € 1,058.7 million in the previous year to € 1,141.6 million.

Segment earnings in the first nine months of 2023 were impacted by special items in connection with the IPO of IONOS Group SE. In this connection, there was net income of € +11.7 million which mainly resulted 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 9.2% from € 293.7 million in the previous year to € 320.6 million, while **operating segment EBIT** rose by 11.9% from € 213.2 million to € 238.6 million.

The **operating EBITDA margin** and the **operating EBIT margin** increased correspondingly from 27.7% to 28.1% and from 20.1% to 20.9%, respectively.

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

Sales	1,141.6	1,058.7	+ 7.8%
EBITDA	320.3	293.7 ⁽¹⁾	+ 9.1%
EBIT	238.3	213.2 ⁽¹⁾	+ 11.8%

(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	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q3 2023	Change
Sales	365.0	373.0	378.6	390.0	350.1	+ 11.4%
EBITDA	80.0	101.3	106.1	112.9	101.4	+ 11.3%
EBIT	52.6	74.2	78.6	85.5	74.5	+ 14.8%

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

in € million	9M 2020	9M 2021	9M 2022	9M 2023	9M 2024
Sales	736.0	803.2	953.7	1,058.7	1,141.6
EBITDA	262.1	250.1	262.1 ⁽¹⁾	293.7 ⁽²⁾	320.3
EBITDA margin	35.6%	31.1%	27.5%	27.7%	28.1%
EBIT	178.8	167.4	177.2 ⁽¹⁾	213.2 ⁽²⁾	238.3
EBIT margin	24.3%	20.8%	18.6%	20.1%	20.9%

(1) Excluding IPO costs (EBITDA and EBIT effect: € -3.2 million)

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

Position of the Group

There were **no significant acquisition or divestment effects** on consolidated and segment sales and EBITDA in the first nine months of 2024. There were also only **minor positive currency effects** at Group and segment level (Business Applications segment) amounting to € 3.7 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 nine months of 2024, the total number of **fee-based customer contracts** in the United Internet Group was raised by 420,000 contracts to 28.87 million. At 38.68 million, 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 € 4,680.6 million, compared to € 4,588.9 million in the prior-year period. Adjusted for the sales contributions from Energy and De-Mail (€ 20.6 million in the previous year and € 19.9 million in the first nine months of 2024), **consolidated sales** rose by 2.0% from € 4,568.3 million in the previous year to € 4,660.7 million in the first nine months 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 (€ -74.4 million compared to 9M 2023), as well as lower after-market sales in the Business Applications segment (€ -10.6 million compared to 9M 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 € 3,036.9 million in the previous year to € 3,144.2 million. This figure includes out-of-period expenses of € -14.3 million 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 66.2% (of sales) in the previous year to 67.2% (of sales) in the first nine months of 2024. There was a corresponding decrease in the **gross margin** from 33.8% to 32.8%. As a result, **gross profit** fell by -1.0% from € 1,552.0 million to € 1,536.4 million.

Sales and marketing expenses also rose faster than sales, from € 687.2 million (15.0% of sales) in the previous year to € 721.2 million (15.4% of sales), while **administrative expenses** increased from € 212.0 million (4.6% of sales) to € 218.5 million (4.7% 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 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	9M 2020	9M 2021	9M 2022	9M 2023	9M 2024
Cost of sales	2,686.6	2,695.3 ⁽¹⁾	2,857.9	3,036.9	3,144.2
Cost of sales ratio	67.4%	64.7%	65.2%	66.2%	67.2%
Gross margin	32.6%	35.3%	34.8%	33.8%	32.8%
Selling expenses	569.4	608.9	654.5	687.2	721.2
Selling expenses ratio	14.3%	14.6%	14.9%	15.0%	15.4%
Administrative expenses	151.1	184.6	193.0	212.0	218.5
Administrative expenses ratio	3.8%	4.4%	4.4%	4.6%	4.7%

(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 nine months of 2024, consolidated EBITDA amounted to € 978.2 million (prior year: € 989.0 million) and EBIT to € 529.2 million (prior year: € 592.6 million). These figures include special items in connection with the IONOS IPO of € -1.6 million net, as well as earnings contributions from Energy and De-Mail of € -2.1 million (EBITDA, EBIT, and EBT) in the previous year and earnings contributions from Energy and De-Mail of € -0.2 million (EBITDA) and € -0.3 million (EBIT and EBT) in the first nine months of 2024.

Adjusted for these negative special items and earnings contributions from Energy and De-Mail, the Group's operating earnings developed as follows:

Consolidated operating EBITDA amounted to € 978.4 million in the first nine months of 2024 (prior year: € 992.7 million). This figure contains increased expenses for the rollout of 1&1's mobile network of € -167.1 million (prior year: € -73.8 million), including out-of-period expenses of € -14.3 million.

In addition to network rollout costs and out-of-period expenses, **operating EBIT** was additionally burdened by increased depreciation of € -363.5 million (prior year: € -310.9 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 consequence, it amounted to € 529.5 million (prior year: € 596.3 million).

There was a corresponding decrease in the **operating EBITDA margin** from 21.7% in the previous year to 21.0% and in the **operating EBIT margin** from 13.1% to 11.4%.

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

	9M 2024	9M 2023	Change
Sales	4,660.7 ⁽¹⁾	4,568.3 ⁽²⁾	+ 2.0%
EBITDA	978.4 ⁽¹⁾	992.7 ⁽²⁾	- 1.4%
EBIT	529.5 ⁽¹⁾	596.3 ⁽²⁾	- 11.2%

(1) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 19.9 million; EBITDA contribution: € -0.2 million; EBIT contribution: € -0.3 million); including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

(2) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 20.6 million; EBITDA contribution: € -2.1 million; EBIT contribution: € -2.1 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	Q4 2023 ⁽¹⁾	Q1 2024 ⁽¹⁾	Q2 2024 ⁽¹⁾	Q3 2024 ⁽¹⁾	Q3 2023 ⁽¹⁾	Change
Sales	1,617.5	1,565.0	1,534.9	1,560.8	1,554.1	+ 0.4%
EBITDA	303.7	342.1	320.2 ⁽²⁾	316.1	324.0	- 2.4%
EBIT	162.1	187.0	160.4 ⁽²⁾	182.1	189.2	- 3.8%

(1) Excluding the sales and earnings contributions from Energy and De-Mail (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: € 6.5 million, EBITDA contribution: € +0.5 million, EBIT contribution: € +0.4 million in Q3 2024; sales contribution: € 6.7 million, EBITDA contribution: € +0.9 million, EBIT contribution: € +0.9 million in Q3 2023) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -0.1 million net in Q4 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	9M 2020	9M 2021	9M 2022	9M 2023	9M 2024
Sales	3,984.7	4,167.9	4,384.3	4,568.3 ⁽³⁾	4,660.7 ⁽⁴⁾
EBITDA	915.6	952.1 ⁽¹⁾	986.5 ⁽²⁾	992.7 ⁽³⁾	978.4 ⁽⁴⁾
EBITDA margin	23.0%	22.9%	22.4%	21.7%	21.0%
EBIT	560.8	601.5 ⁽¹⁾	625.2 ⁽²⁾	596.3 ⁽³⁾	529.5 ⁽⁴⁾
EBIT margin	14.1%	14.5%	14.2%	13.1%	11.4%

(1) Excluding the non-period positive effect on earnings attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million) and excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +3.0 million)

(2) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +12.2 million) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -3.2 million)

(3) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 20.6 million; EBITDA contribution: € -2.1 million; EBIT contribution: € -2.1 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: € 19.9 million; EBITDA contribution: € -0.2 million; EBIT contribution: € -0.3 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 € 491.4 million to € 397.8 million. This decline was mainly due to the lower EBIT result (€ -66.8 million), as well as the financial result (€ -32.2 million). The latter was impacted by the increase in interest rates.

Operating earnings per share (EPS) declined from € 1.22 to € 0.82. This was also mainly due to the development of EBIT (EPS effect: € -0.26), as well as increased interest expenses (EPS effect: € -0.14).

Financial position

Despite the decline in net income, **operative cash flow** rose from € 784.3 million in the previous year to € 818.3 million in the first nine months of 2024.

Cash flow from operating activities, however, decreased from € 570.6 million to € 474.7 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 € -431.6 million (prior year: € -506.3 million). This resulted mainly from capital expenditures of € -441.9 million (prior year: € -503.4 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 nine months of 2024 amounted to € 38.6 million and was thus slightly below the prior-year level (€ 70.3 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 € -63.8 million (prior year: € -14.1 million).

In the first nine months of 2024, **cash flow from financing activities** was dominated by the assumption of loans (€ 260.8 million net; prior year: € 190.8 million), payments for interest (€ -91.4 million; prior year: € -60.4 million), the redemption of lease liabilities (€ -102.4 million; prior year: € -84.5 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 and from purchase price payments of Warburg Pincus, as well as the purchase of treasury shares (€ -291.9 million).

As of September 30, 2024, **cash and cash equivalents** amounted to € 27.3 million – compared to € 76.5 million on the same date last year.

Development of key cash flow figures

in € million	9M 2024	9M 2023	Change
Operative cash flow	818.3	784.3	+ 34.0
Cash flow from operating activities	474.7	570.6	- 95.9
Cash flow from investing activities	- 431.6	- 506.3	+ 74.7
Free cash flow ⁽¹⁾	- 63.8 ⁽²⁾	- 14.1 ⁽³⁾	- 49.7
Cash flow from financing activities	- 43.5	- 28.6	- 14.9
Cash and cash equivalents on September 30	27.3	76.5	- 49.2

(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 (€ -102.4 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 (€ -84.5 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 € 11.588 billion on September 30, 2024.

Development of current assets

in € million	Sept. 30, 2024	Dec. 31, 2023	Change
Cash and cash equivalents	27.3	27.7	- 0.4
Trade accounts receivable	540.6	508.9	+ 31.7
Contract assets	630.5	676.1	- 45.6
Inventories	128.3	178.1	- 49.7
Prepaid expenses	382.2	303.8	+ 78.5
Other financial assets	114.1	96.9	+ 17.2
Income tax claims	41.5	34.8	+ 6.8
Other non-financial assets	15.5	13.8	+ 1.7
Total current assets	1,880.1	1,840.1	+ 40.1

Current assets rose from € 1,840.1 million as of December 31, 2023 to € 1,880.1 million on September 30, 2024. Due to closing-date effects, current **trade accounts receivable** rose from € 508.9 million to € 540.6 million. The decrease in current **contract assets** from € 676.1 million to € 630.5 million was attributable to the current slower growth in contracts (compared to previous periods). After raising **inventories** to avoid supply bottlenecks in late 2023, this item declined from € 178.1 million to € 128.3 million. As a result of prepayments made to advance service providers and closing-date effects, current **prepaid expenses** increased from € 303.8 million to € 382.2 million and mainly comprise the short-term portion of expenses relating to contract acquisition and contract fulfillment according to IFRS 15. The items **cash and cash equivalents**, current **other financial assets**, **income tax claims**, and **other non-financial assets** were all largely unchanged.

Development of non-current assets

in € million	Sept. 30, 2024	Dec. 31, 2023	Change
Shares in associated companies	120.5	373.2	- 252.7
Other financial assets	63.4	8.3	+ 55.1
Property, plant and equipment	2,855.7	2,405.3	+ 450.4
Intangible assets	1,929.2	2,001.6	- 72.4
Goodwill	3,632.2	3,628.8	+ 3.4
Trade accounts receivable	29.9	34.8	- 4.8
Contract assets	173.8	206.6	- 32.8
Prepaid expenses	840.4	679.8	+ 160.6
Deferred tax assets	62.9	67.1	- 4.1
Total non-current assets	9,708.2	9,405.6	+ 302.6

Non-current assets rose from € 9,405.6 million as of December 31, 2023 to € 9,708.2 million on September 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 € 120.5 million. There was a corresponding rise in non-current **other financial assets** from € 8.3 million to € 63.4 million. Capital expenditures in the reporting period (especially for the 5G network rollout as well as the 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 € 2,855.7 million, while **intangible assets** declined from € 2,001.6 million to € 1,929.2 million, mainly as

a result of amortization. The decrease in **non-current contract assets** from € 206.6 million to € 173.8 million was attributable to the current slower growth in contracts (compared to previous periods). 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 € 840.4 million. The items **goodwill**, non-current **trade accounts receivable**, and **deferred tax assets** were all largely unchanged.

Development of current liabilities

in € million	Sept. 30, 2024	Dec. 31, 2023	Change
Trade accounts payable	609.2	699.2	- 90.0
Liabilities due to banks	629.6	582.4	+ 47.2
Income tax liabilities	57.9	88.0	- 30.1
Contract liabilities	180.6	175.0	+ 5.6
Other accrued liabilities	25.2	26.4	- 1.2
Other financial liabilities	325.3	274.9	+ 50.4
Other non-financial liabilities	162.3	176.7	- 14.4
Total current liabilities	1,990.2	2,022.7	- 32.5

Current liabilities decreased from € 2,022.7 million as of December 31, 2023 to € 1,990.2 million on September 30, 2024. Due to closing-date effects, current **trade accounts payable** decreased from € 699.2 million to € 609.2 million. There was an increase in current **liabilities due to banks** from € 582.4 million to € 629.6 million. **Income tax liabilities** declined from € 88.0 million to € 57.9 million due to closing-date effects. Current **other financial liabilities** increased from € 274.9 million to € 325.3 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 largely unchanged.

Development of non-current liabilities

in € million	Sept. 30, 2024	Dec. 31, 2023	Change
Liabilities due to banks	2,112.4	1,881.9	+ 230.5
Deferred tax liabilities	291.7	293.0	- 1.4
Trade accounts payable	3.4	3.4	+ 0.0
Contract liabilities	31.9	32.7	- 0.8
Other accrued liabilities	79.8	68.7	+ 11.1
Other financial liabilities	1,569.0	1,388.3	+ 180.7
Total non-current liabilities	4,088.1	3,667.9	+ 420.2

Non-current liabilities rose from € 3,667.9 million as of December 31, 2023 to € 4,088.1 million on September 30, 2024. This was mainly due to non-current **liabilities due to banks**, which increased from € 1,881.9 million to € 2,112.4 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 € 1,569.0 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	Sept. 30, 2024	Dec. 31, 2023	Change
Capital stock	192.0	192.0	0.0
Capital reserves	2,194.0	2,197.7	- 3.7
Accumulated profit	2,853.8	2,980.5	- 126.8
Treasury shares	- 459.3	- 459.8	+ 0.5
Revaluation reserves	0.1	0.1	+ 0.0
Currency translation adjustment	- 9.8	- 12.5	+ 2.7
Equity attributable to shareholders of the parent company	4,770.8	4,898.0	- 127.3
Non-controlling interests	739.3	657.0	+ 82.2
Total equity	5,510.0	5,555.1	- 45.0

Consolidated **equity capital** fell from € 5,555.1 million as of December 31, 2023 to € 5,510.0 million on September 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 € 2,853.8 million in the first nine months of 2024. There was a corresponding fall in the consolidated **equity ratio** from 49.4% to 47.5%. This decline was mainly due to the non-cash writedown of the Kublai investment in the second quarter of 2024.

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 € 2,714.7 million on September 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	Sept. 30, 2024
Total assets	9,230.8	9,669.1	10,358.5	11,245.6	11,588.3
Cash and cash equivalents	131.3	110.1	40.5	27.7	27.3
Shares in associated companies	89.6	431.6 ⁽¹⁾	429.3	373.2	120.5
Property, plant and equipment	1,271.6	1,379.6	1,851.0	2,405.3	2,855.7
Intangible assets	2,197.8	2,059.4	2,029.3	2,001.6	1,929.2
Goodwill	3,609.4	3,627.8	3,623.4	3,628.8	3,632.2
Liabilities due to banks	1,466.1	1,822.7	2,155.5	2,464.3	2,742.0
Capital stock	194.0	194.0	194.0	192.0 ⁽²⁾	192.0
Equity	4,911.2	4,923.2	5,298.4	5,555.1	5,510.0
Equity ratio	53.2%	50.9%	51.2%	49.4%	47.5%

(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 nine 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 420,000 contracts to 28.87 million contracts.

Of this total, 90,000 contracts were added in the Consumer Access segment. The Consumer Applications segment grew by 180,000 pay accounts and a further 150,000 contracts resulted from the Business Applications segment.

In view of this customer growth and a 2.0 % increase in sales (despite a year-on-year decline in low-margin hardware and after-market revenues) to around € 4.661 billion, United Internet made good progress in the first nine months of 2024. There was a slight year-on-year decrease in operating EBITDA of 1.4% to € 978.4 million (prior year: € 992.7 million). This was due to increased expenses of € -167.1 million (prior year: € -73.8 million) for the rollout of 1&1's mobile network, including out-of-period expenses of € -14.3 million.

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 nine months 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 September 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 September 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 September 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 September 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 "Sales market & competition".

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 nine months of 2024, these risks manifested themselves to some extent as a result of a disruption in the mobile network in late May. In connection with this disruption, the specific causes were eliminated and disruptions have since been largely prevented. However, due to the high technical complexity of the mobile network rollout, future disruptions cannot be ruled out with certainty.

As a consequence of the disruption, audits were performed and capacity bottlenecks in the mobile network were identified. As a precautionary measure, 1&1 therefore slowed down its customer migration. Even if this slowdown in the migration process is made up for, subsequent network migrations will have reduced potential savings in terms of advance service costs. The bottlenecks were eliminated in summer 2024. Moreover, there was a significant capacity expansion with the launch of two further core data centers at the beginning of November 2024.

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.

In August 2024, the Administrative Court of Cologne declared that the rules for the 2019 auction of 5G mobile communication frequencies (spectrum) – in which 1&1 also acquired spectrum – were unlawful. The acquisition of spectrum was tied to specific expansion obligations, including the construction of 1,000 mobile network locations by the end of 2022. As previously reported, 1&1 was unable to fulfill this obligation, whereupon the Federal Network Agency initiated penalty proceedings that have not yet been completed. Although the specific consequences of the court ruling are still unclear, 1&1 is seeking to have the penalty proceedings suspended and has contacted the Federal Network Agency in this matter. 1&1 has formed a provision for a possible fine. 1&1 will reassess the recognition of this provision depending on the reaction of the Federal Network Agency and the reasoning behind the judgment, which has not yet been published.

Forecast report

Forecast for the fiscal year 2024

In the course of adjusting the guidance for service revenues 2024 by 1&1 AG, United Internet is also updating its sales guidance for 2024 and now expects an increase to approx. € 6.35 billion (previous guidance: approx. € 6.4 billion; 2023: € 6.213 billion). At the same time, the Company is confirming its earnings guidance for 2024: EBITDA is still 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 (prior year: € 1.30 billion).

Cash capex is still likely to be 15-25% above the prior-year figure (2023: € 756.0 million).

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 Interim Statement, 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 Interim Statement 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.

NOTES ON THE INTERIM STATEMENT

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.

Significant accounting, measurement and consolidation principles

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

The Interim Statement does not constitute interim reporting as defined by IAS 34. With the exception of the mandatory new standards, the accounting and valuation principles applied in this Interim Statement comply with the methods applied in the previous year and should be read in conjunction with the Consolidated Financial Statements as of December 31, 2023.

In the fiscal year 2024, the shareholding of United Internet AG in Kublai GmbH has decreased from 40% as of December 31, 2023 to around 5% on September 30, 2024.

On June 14, 2024, United Internet AG announced that it would make no further investments in Kublai GmbH, which holds 95% of shares in Tele Columbus AG. United Internet thereby 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 € 170,533 thousand was recognized in the Consolidated Financial Statements as at September 30, 2024. Consequently, the investment was reclassified from "Shares in associated companies" to "Other non-current financial assets".

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 has since initiated the contractually stipulated anti-dilution proceedings and arranged for a review of MSI's valuation by the German Arbitration Institute ("Deutsche Institution für Schiedsgerichtsbarkeit" - DIS). Should DIS agree with United Internet's assessment, United Internet will be entitled to compensation.

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 are mandatory in the EU for the first time for fiscal years beginning on or after January 1, 2024:

Standard		Mandatory for fiscal years beginning on or after	Endorsed by EU Commission
IAS 1	Amendment: Clarification of Criteria for Classification of Liabilities as Current or Non-current Clarification Regarding Non-current Liabilities with Covenants	January 1, 2024	Yes
IFRS 16	Amendment: Lease Liability in a Sale and Leaseback	January 1, 2024	Yes
IAS 7, IFRS 7	Amendment: Supplier Finance Arrangements	January 1, 2024	No

There were no significant effects on this Interim Statement from the initial application of the new accounting standards.

Use of estimates and assumptions

The preparation of this Interim Statement 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.

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 Company's Annual Report 2023 on page 58.

Insofar as necessary for a 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.

Miscellaneous

This Interim Statement includes all material subsidiaries and associated companies.

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

This Interim Statement was not audited according to Sec. 317 HGB nor reviewed by an auditor.

INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2024

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of September 30, 2024 in €k

ASSETS	September 30, 2024	December 31, 2023 *
Current assets		
Cash and cash equivalents	27,323	27,689
Trade accounts receivable	540,629	508,945
Contract assets	630,507	676,110
Inventories	128,343	178,083
Prepaid expenses	382,237	303,781
Other financial assets	114,096	96,871
Income tax claims	41,524	34,754
Other non-financial assets	15,488	13,835
	1,880,147	1,840,069
Non-current assets		
Investments in associated companies	120,534	373,205
Other financial assets	63,439	8,346
Property, plant and equipment	2,855,679	2,405,312
Intangible assets	1,929,168	2,001,584
Goodwill	3,632,249	3,628,849
Trade accounts receivable	29,929	34,751
Contract assets	173,834	206,623
Prepaid expenses	840,403	679,795
Deferred tax assets	62,948	67,092
	9,708,183	9,405,557
Total assets	11,588,329	11,245,626

LIABILITIES	September 30, 2024	December 31, 2023 *
Current liabilities		
Trade accounts payable	609,236	699,220
Liabilities due to banks	629,575	582,396
Income tax liabilities	57,904	87,996
Contract liabilities	180,595	175,033
Other provisions	25,229	26,428
Other financial liabilities	325,344	274,921
Other non-financial liabilities	162,283	176,699
	1,990,167	2,022,693
Non-current liabilities		
Liabilities due to banks	2,112,402	1,881,865
Deferred tax liabilities	291,663	293,020
Trade accounts payable	3,358	3,358
Contract liabilities	31,890	32,658
Other provisions	79,817	68,671
Other financial liabilities	1,569,000	1,388,310
	4,088,130	3,667,881
Total liabilities	6,078,297	5,690,574
EQUITY		
Capital stock	192,000	192,000
Capital reserves	2,194,001	2,197,720
Accumulated profit	2,854,620	2,980,528
Treasury shares	-459,290	-459,793
Revaluation reserves	105	105
Currency translation adjustment	-9,808	-12,535
Equity attributable to shareholders of the parent company	4,771,628	4,898,024
Non-controlling interests	738,405	657,028
Total equity	5,510,033	5,555,052
Total liabilities and equity	11,588,329	11,245,626

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to September 30, 2024 in €k

	2024	2023
	January - September	January - September
Sales	4,680,645	4,588,917
Cost of sales	-3,144,222	-3,036,937
Gross profit	1,536,423	1,551,980
Selling expenses	-721,244	-687,229
General and administrative expenses	-218,547	-211,956
Other operating income and expenses	37,007	28,230
Impairment losses on receivables and contract assets	-104,404	-88,397
Operating result	529,235	592,627
Financial result	-101,149	-68,878
Share of the profit or loss of associates accounted for using the equity method	-201,101	-36,053
Pre-tax result	226,985	487,696
Income taxes	-169,686	-180,433
Net income	57,299	307,264
thereof attributable to		
non-controlling interests	85,848	101,324
shareholders of United Internet AG	-28,549	205,940

	2024	2023
	January - September	January - September
Result per share of shareholders of United Internet AG (in €)		
basic	-0.17	1.18
diluted	-0.16	1.17
Weighted average of outstanding shares (in million units)		
basic	172.84	175.11
diluted	175.75	175.45
Reconciliation to total comprehensive income		
Net income	57,299	307,264
Items that may be reclassified subsequently to profit or loss		
Currency translation adjustment - unrealized	4,261	4,196
Items that are not reclassified subsequently to profit or loss		
Market value changes of financial assets measured at fair value through other comprehensive income	2,900	-230
Other comprehensive income	7,161	3,967
Total comprehensive income	64,461	311,230
thereof attributable to		
non-controlling interests	87,383	103,159
shareholders of United Internet AG	-22,923	208,072

CONSOLIDATED CASH FLOW STATEMENT

for the period from January 1 to September 30, 2024 in €k

	2024 January - September	2023 January - September
Result from operating activities		
Net income	57,299	307,264
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of intangible assets and property, plant and equipment	363,460	310,905
Depreciation and amortization of assets resulting from business combinations	85,544	85,503
Net effect from share-based payment programs	9,585	-4,987
Share of the profit or loss of associates accounted for using the equity method	201,101	36,053
Distributed profits of associated companies	123	156
Other non-cash items from changes in deferred tax position	2,788	-24,798
Non-cash changes in fair value of operational derivatives	-1,605	5,270
Non-cash changes in fair value of non-operational derivatives	-7,128	5,158
Interest expense arising from the accretion of lease payments	24,426	14,805
Other financing expenses and financial income	83,851	48,941
Other non-cash items	-1,113	1
Operative cash flow	818,330	784,270
Change in assets and liabilities		
Change in receivables and other assets	-32,463	-101,870
Change in inventories	49,740	16,734
Change in contract assets	78,392	0
Change in income tax claims	-6,770	-6,267
Change in prepaid expenses	-239,065	-286,126
Change in trade accounts payable	-159,379	19,235
Change in other provisions	9,307	107
Change in income tax liabilities	-30,092	28,217
Change in other liabilities	-17,331	106,801
Change in contract liabilities	4,017	9,470
Change in assets and liabilities, total	-343,645	-213,699
Cash flow from operating activities	474,685	570,570

	2024	2023
	January - September	January - September
Cash flow from investing activities		
Cash payments to acquire property, plant and equipment and intangibles	-441,940	-503,374
Cash receipts from sales of property, plant and equipment and intangibles	5,865	3,132
Payments for the acquisition/capital increase of associated companies	-1,007	-1,365
Interest received	1,826	0
Investments in other financial assets	-207	0
Subsequent payments related to Business combinations	1,875	-4,416
Payments for loans granted	0	-259
Payments received from the repayment of other financial assets	2,033	0
Cash flow from investment activities	-431,555	-506,283
Cash flow from financing activities		
Purchase of treasury stock	0	-291,901
Taking out of and repayment of loans	260,847	190,816
Interest paid	-91,358	-60,422
Redemption of lease liabilities	-102,412	-84,464
Dividend payments	-86,408	-86,408
Dividend payments to non-controlling interests	-1,893	-1,893
Outgoing payments to / incoming payments from minority shareholders	-22,319	305,721
Cash flow from financing activities	-43,542	-28,550
Net decrease / increase in cash and cash equivalents	-412	35,737
Cash and cash equivalents at beginning of fiscal year	27,689	40,523
Currency translation adjustments of cash and cash equivalents	46	274
Cash and cash equivalents at end of reporting period	27,323	76,535

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to September 30, 2024 in €k

	Capital stock		Capital reserves	Accumulated profit	Treasury shares	
	Units	€k	€k	€k	Units	€k
Balance as of January 1, 2023	194,000,000	194,000	1,966,150	2,835,819	7,284,109	-231,451
Net income				205,940		
Other comprehensive income				0		
Total comprehensive income				205,940		
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			-11,707			
Dividend payments				-86,408		
Profit distributions						
Transactions with shareholders			303,689	-1,597		
Balance as of September 30, 2023	192,000,000	192,000	2,196,582	2,953,754	19,183,705	-459,802
Balance as of January 1, 2024	192,000,000	192,000	2,197,720	2,980,528	19,183,705	-459,793
Net income				-28,549		
Other comprehensive income				2,900		
Total comprehensive income				-25,649		
Issue of treasury shares				-503	-21,016	503
Employee stock ownership plans			-3,719			
Dividend payments				-86,408		
Profit distributions						
Transactions with shareholders				-13,347		
Balance as of September 30, 2024	192,000,000	192,000	2,194,001	2,854,620	19,162,689	-459,290

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
		205,940	101,324	307,264
-230	2,361	2,132	1,835	3,967
-230	2,361	208,072	103,159	311,230
		-291,901		-291,901
		0		0
		-11,707	-8,078	-19,785
		-86,408		-86,408
		0	-1,893	-1,893
	749	302,841	-14,186	288,655
1,054	-12,597	4,870,990	627,300	5,498,289
105	-12,535	4,898,024	657,028	5,555,052
		-28,549	85,848	57,299
	2,727	5,627	1,535	7,161
0	2,727	-22,923	87,383	64,461
		0		0
		-3,719	-3,762	-7,481
		-86,408		-86,408
		0	-1,893	-1,893
		-13,347	-352	-13,699
105	-9,808	4,771,628	738,405	5,510,033

SEGMENT REPORTING

for the period from January 1 to September 30, 2024

January - September 2024 (€m)	Consumer Access segment	Business Access segment	Consumer Applications segment	Business Applications segment	Corporate	Reconciliation	United Internet Group
Segment revenue	3,017.2	430.7	237.5	1,141.6	108.9	-255.3	4,680.6
- thereof domestic	3,017.2	430.7	236.0	656.6	108.9	-255.3	4,194.1
- thereof foreign	0.0	0.0	1.5	485.0	0.0	0.0	486.5
Segment revenue from transactions with other segments	12.1	80.2	24.1	34.1	104.8	0.0	255.3
Segment revenue from contracts with customers	3,005.1	350.5	213.4	1,107.5	4.1	0.0	4,680.6
- thereof domestic	3,005.1	350.5	211.8	622.6	4.1	0.0	4,194.1
- thereof foreign	0.0	0.0	1.5	485.0	0.0	0.0	486.5
EBITDA	463.0	120.6	78.7	320.3	-1.4	-2.9	978.2
EBIT	287.5	-57.3	71.4	238.3	-10.8	0.1	529.2
Financial result							-101.1
Result from associated companies							-201.1
EBT							227.0
Income taxes							-169.7
Net income							57.3
Investments in intangible assets, property, plant and equipment (without goodwill)	329.5	436.7	11.1	58.0	8.6	-0.3	843.6
Amortization/depreciation	175.5	177.9	7.3	82.0	9.4	-3.1	449.0
- thereof intangible assets, and property, plant and equipment	112.0	171.3	7.3	66.5	9.4	-3.1	363.4
- thereof assets capitalized during company acquisitions	63.5	6.6	0.0	15.4	0.0	0.0	85.5
Number of employees	3,329	1,612	1,095	4,276	656		10,968
- thereof domestic	3,329	1,612	1,092	2,282	656		8,971
- thereof foreign	0	0	3	1,994	0		1,997

**GROUP INTERIM FINANCIAL
STATEMENTS**

for the period from January 1 to September 30, 2023

January - September 2023 (€m)	Consumer Access segment	Business Access segment	Consumer Applications segment	Business Applications segment	Corporate	Reconciliation	United Internet Group
Segment revenue	3,031.8	413.4	215.3	1,058.7	106.2	-236.4	4,588.9
- thereof domestic	3,031.8	413.4	213.7	555.9	106.2	-229.5	4,091.5
- thereof foreign	0.0	0.0	1.6	502.8	0.0	-6.9	497.4
Segment revenue from transactions with other segments	11.3	69.2	21.1	33.2	101.6	0.0	236.4
Segment revenue from contracts with customers	3,020.5	344.2	194.2	1,025.5	4.6	0.0	4,588.9
- thereof domestic	3,020.5	344.2	192.6	529.6	4.6	0.0	4,091.5
- thereof foreign	0.0	0.0	1.6	495.9	0.0	0.0	497.4
EBITDA	511.1	118.2	68.5	305.4	-14.2	0.0	989.0
EBIT	363.7	-36.9	61.2	224.9	-20.3	0.0	592.6
Financial result							-68.9
Result from associated companies							-36.1
EBT							487.7
Income taxes							-180.4
Net income							307.3
Investments in intangible assets, property, plant and equipment (without goodwill)	187.3	382.0	12.3	61.8	11.4	0.0	654.8
Amortization/depreciation	147.4	155.1	7.3	80.5	6.1	0.0	396.4
- thereof intangible assets, and property, plant and equipment	83.9	148.4	-8.0	80.5	6.1	0.0	310.9
- thereof assets capitalized during company acquisitions	63.5	6.7	15.3	0.0	0.0	0.0	85.5
Number of employees	3,244	1,466	1,053	4,325	673		10,761
- thereof domestic	3,244	1,466	1,050	2,339	673		8,772
- thereof foreign	0	0	3	1,986	0		1,989

FINANCIAL CALENDAR

March 21, 2024	Publication of the 2023 Annual Financial Statements, Press and Analyst Conference
May 8, 2024	Publication of Quarterly Statement Q1 2024
May 17, 2024	Annual General Meeting 2024, Alte Oper Frankfurt/Main
August 8, 2024	Publication of Semi-Annual Financial Report 2024, Press and Analyst Conference
November 12, 2024	Publication of Quarterly Statement Q3 2024

IMPRINT

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November 2024

Registry court: Montabaur HRB 5762

Note:

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

This Quarterly Statement is available in German and English. Both versions can also be downloaded on the internet at www.united-internet.de. In all cases of doubt, the German version shall prevail.

For better readability, the masculine form is used for gender-specific terms in the Quarterly Statement. United Internet points out that the use of the masculine form is to be understood explicitly as gender-independent.

Produced in-house with Firesys

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 does not intend to revise or update such forward-looking statements.

United Internet AG

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