

Press release

United Internet acquires Polish webhosting market leader home.pl and considers IPO in Applications segment

Montabaur, July 10, 2015. United Internet AG today reached an agreement with the owners of home.pl S.A. (Szczecin, Poland) – led by the private equity fund V4C Eastern Europe – regarding the acquisition of all shares in home.pl by United Internet’s subsidiary 1&1 Internet SE.

home.pl employs 240 people and currently has over 300,000 customers. With expected annual sales of around EUR 25 million in 2015 and an expected EBITDA in 2015 of around EUR 10 million, it is the clear market leader in the Polish webhosting market.

The purchase price of all shares in home.pl amounts to around EUR 135 million in cash – subject to adjustment at closing. The interest-bearing liabilities of the company (approx. EUR 20 million) will be repaid at closing. The share purchase is still subject to the usual approval of the relevant anti-trust authorities. It is planned that home.pl will continue to operate as an independent company under the leadership of its current management team. Together with the United Internet brand 1&1, which has already been operating in Poland since 2010, the aim is to gain further ground on the Polish market and strengthen the company’s leading position in Europe.

The Polish webhosting and cloud computing market has developed very favorably over the past few years – as has the Polish economy as a whole. According to figures of the Polish registry NASK, Poland’s top-level domain .pl had 2.5 million registrations at the end of 2014 – ranking 12th worldwide and 6th in Europe among the country domains. At the same time, the market offers a high level of growth potential in the years ahead. The Parallels survey “Odin SMB Cloud Insights 2015 Poland”, for example, forecasts a compound annual market growth rate (CAGR) of around 15% over the next few years. The market is characterized by competition between national players.

“With the acquisition of home.pl, we are excellently positioned in Europe with our webhosting and cloud computing products,” commented Ralph Dommermuth, CEO of United Internet, on the transaction. “Especially in Germany, the UK, Spain and Poland, where we are the clear market leader.”

Now that the European webhosting/cloud computing market has largely been carved up, United Internet plans to focus more on acquisitions in future – in addition to organic growth. With its successful takeovers in the past years of InterNetX, Sedo, fasthosts, united-domains, Arsys and now home.pl, United Internet has already gained extensive experience in this field.

Against this backdrop, United Internet plans to examine the possibility of an IPO for its "Business Applications" segment in the coming months, for which it expects sales of around EUR 600 million in fiscal 2015. Should the result of this examination be positive, an IPO is to be launched in approx. 2 years.

Ralph Dommermuth summarizes the considerations as follows: "Separate access to the capital market and Applications shares as an additional acquisition currency would make it easier to fund takeovers from equity, as sellers often want to retain an investment in the sector with part of their sales proceeds in order to benefit from future growth and the economies of scale offered by the combined company."

About United Internet

With 15.01 million fee-based customer contracts and 32.29 million ad-financed free accounts, United Internet AG is Europe's leading internet specialist. At the heart of United Internet is a high-performance "Internet Factory" with over 7,900 employees, of which around 2,500 are engaged in product management, development and data centers. In addition to the high sales strength of its established brands (1&1, GMX, WEB.DE, united-domains, Fasthosts, Arsys, InterNetX, Sedo, affilinet and Versatel), United Internet stands for outstanding operational excellence with over 47 million customer accounts worldwide.

Contact

Maika-Alexander Stangenberg
Head of Corporate Communications & Public Affairs
United Internet AG
Elgendorfer Straße 57
56410 Montabaur
Germany
Tel: 02602/96-1616
Fax: 02602/96-1013
E-mail: presse@united-internet.de
Internet: www.united-internet.de