

IONOS

IONOS SE (IOS GR)

COMPANY DESCRIPTION

IONOS is a German web hosting firm, which is a unit of the internet services firm **United Internet**. United Internet was founded in 1988 in Montabaur, Germany and went public in 1998 as **1&1 Internet**, which primarily started trading as an internet service provider (ISP). The IONOS unit was formed after the acquisition of the web hosting firm **Strato** for €600m in 2016 and merger with cloud infrastructure specialist **ProfitBricks** (founded by IONOS's now-CEO Achim Weiss) in 2018. In 2016, private equity firm **Warburg Pincus** took a 33% stake in United Internet's newly formed web hosting and cloud-focused **Business Applications** unit, which was the foundation of the IONOS unit that was created as **1&1 IONOS** in 2018. 🌈

BUSINESS MODEL

IONOS's main area of business (90%) is internet hosting, which includes websites, e-commerce shops, domains and email servers. According to [Web Technology Surveys](#), the firm (as part of **United Internet**) had a global market share of 2.0% in the web hosting space in February 2023, behind direct rivals **Squarespace** (2.1%), **Wix** (2.5%) and **GoDaddy** (3.6%).

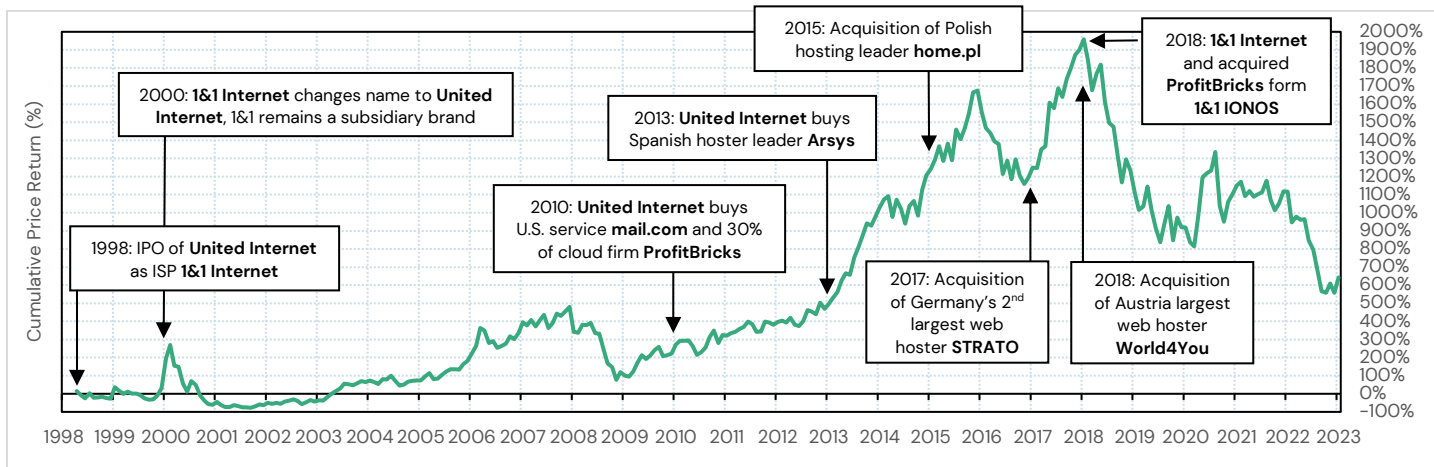
Their second area of business (10%) is IONOS Cloud, where they account for 2.1% of the [global market share in data center providers](#), behind competitors such as **Amazon** (8.7%), **Google** (7.2%), **Microsoft** (1.2%), France's **OVH** (3.7%) and New York-listed **DigitalOcean** (2.1%). In Europe, IONOS is the web hosting market leader in Germany (51%), Spain (21%) and Austria (19%) and number 2 in the United Kingdom (13%), Poland (11%) and France (10%). IONOS accounts for approx. 20% of revenue of parent United Internet. 🌈

IPO HISTORY

On February 7, 2023, IONOS announced the pricing of their IPO at €18.50/share, raising €389m (\$416m) at the bottom of their price range, giving the company a market capitalization of about €2.24 billion. The company will start trading in Frankfurt tomorrow, **February 8, 2023**.

After putting up 21 million shares for sale at the offering (free float of 17.3%), the selling shareholders **United Internet** and private equity firm **Warburg Pincus** will keep 60.1% and 20.6% of the company, respectively. IONOS themselves didn't raise any money from the offering. The IPO is being led by **JPMorgan Chase & Co.**, **Deutsche Bank AG**, **Berenberg** and **BNP Paribas SA**. 🌈

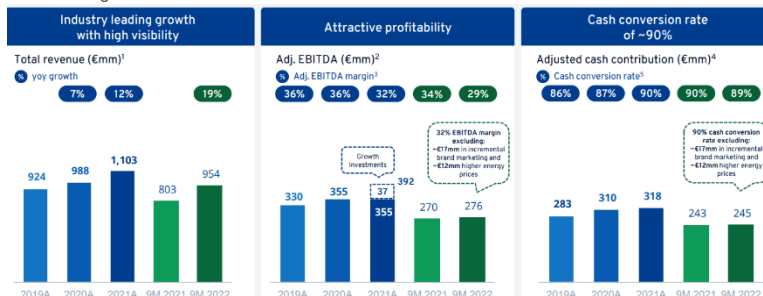
HISTORICAL PERFORMANCE OF UNITED INTERNET



GROWTH OUTLOOK

Source: IONOS Company Presentations, November 2022

IONOS sees growth in the future due to an increase in the number of SMBs with needs for websites.



Web Presence & Productivity: Addressable market by geography '15-26, CAGR, %



INDUSTRY COMPARISON

COMPANY	STOCK SYMBOL	IPO/SPIN-OFF DATE	INITIAL RETURN	OFFER TO DATE (TR)	2023 YTD (PR)	BETA TO BENCHMARK	REVENUE GROWTH (YoY)	P/S Ratio
IONOS	IOS GR	2/7/2023	TBA	TBA	TBA	TBA	12%*	2.04x*
Squarespace	SQSP US	Direct Listing on 05/19/2021 with reference price of \$50			3.29%	0.75	26.22%	3.39x
GoDaddy	GDDY US	04/01/2015	30.75%	317.25%	11.53%	1.05	15.05%	3.30x
Wix	WIX US	11/06/2013	-1.15%	450.73%	18.27%	1.49	28.41%	3.84x

*based on 2021 revenue and market capitalization at IPO price