

WELCOME!



DIGITAL X 2022

INVESTOR RELATIONS EVENT

**14. SEPTEMBER 2022
25H HOTEL, KÖLN**

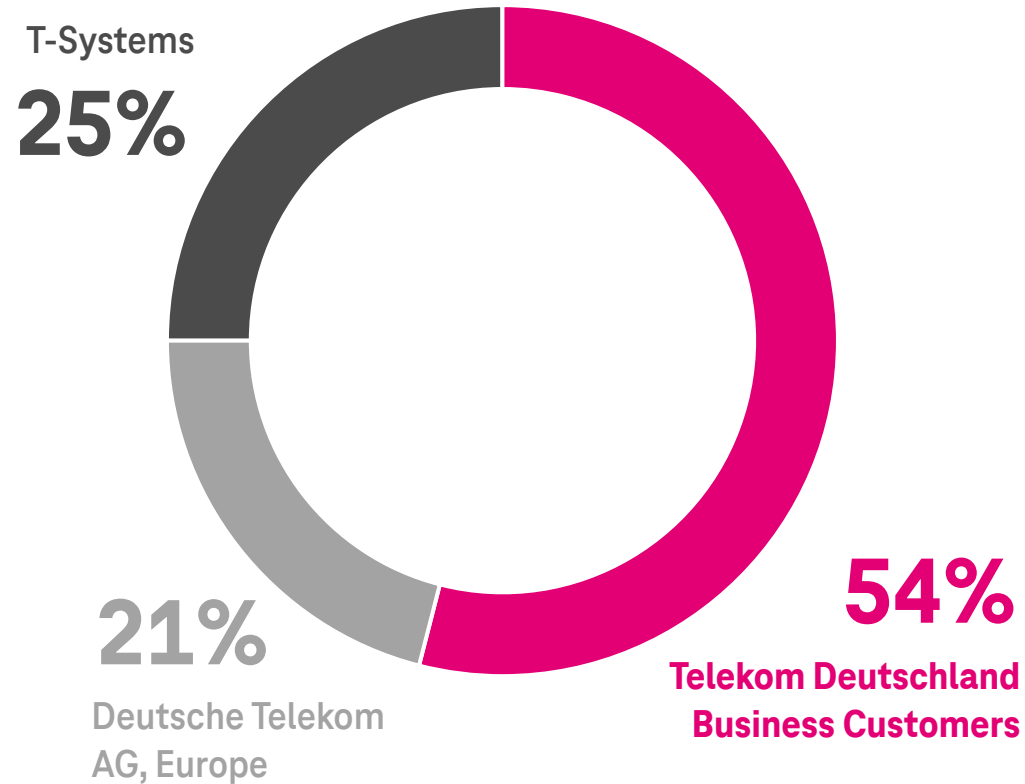
B2B: Growth Driver for Telekom Deutschland

Srini Gopalan, CEO Segment Germany
September 14, 2022

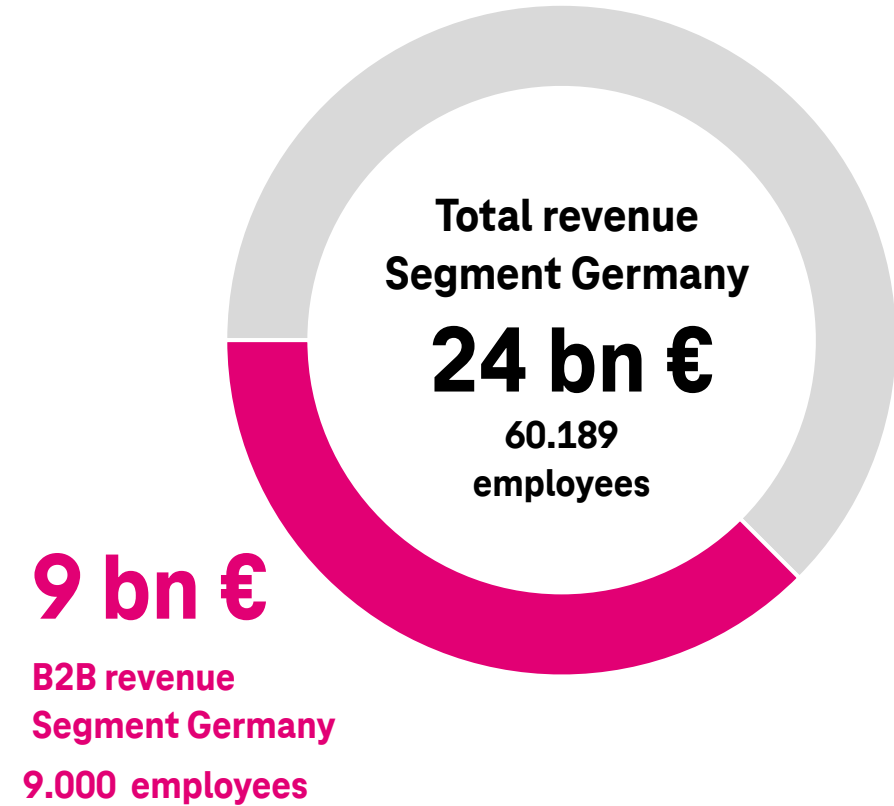


B2B is an essential part of Deutsche Telekom AG

Share of total business customer revenue¹



B2B share of total Segment Germany revenue



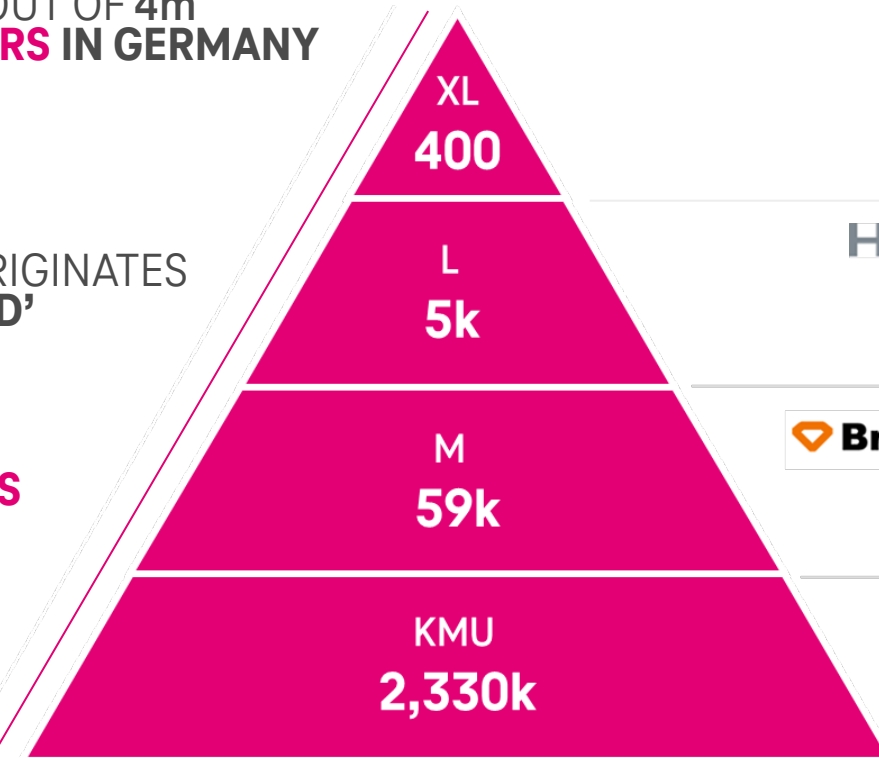
Our 2.4m customers: The engine of German economy

60% MARKET SHARE 2,4 OUT OF 4m
BUSINESS CUSTOMERS IN GERMANY

56% OF THE **GERMAN GDP** ORIGINATES
FROM THE 'MITTELSTAND'

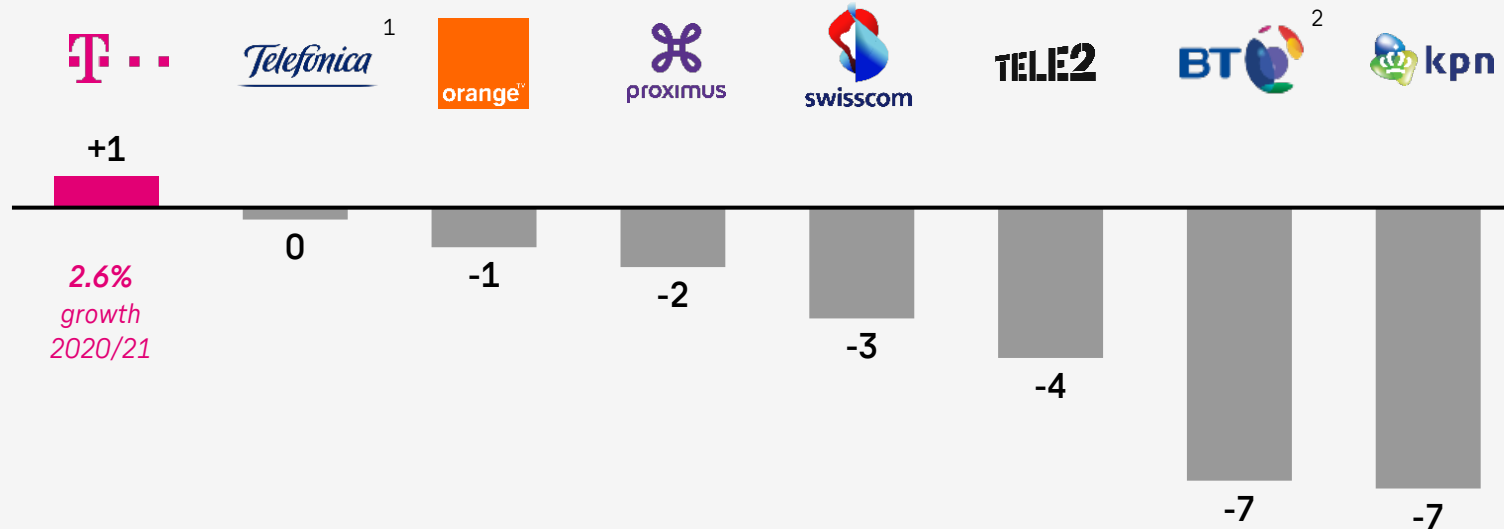
80% OF THE **HIDDEN CHAMPIONS**
(1,2k) ARE ALREADY
OUR CUSTOMERS

Public -
20 k



We are growing ahead of our EU peers

B2B Revenue CAGR 2019 - 2021 in %



Our success factors

- **Market leader** in SMB-centric German market
- **Strong sales execution**
- **Advanced legacy attrition / IP-migration**
- **Growth in mobile and IT**

¹ Telefónica: based on 2019 figures published by Telefónica & revenue growth rates for 2020 & 2021 published in Morgan Stanley Research - European Telcos | B2B: A mixed bag (15 Nov 2021) & Morgan Stanley Research - European Telcos | B2B: Flat at last (Apr 2022)

² BT: Financial year/ Q1 starting in April & financial year/ Q4 ending in March

Vodafone: not included due to limited availability of B2B financials

Source: B2B revenues based on quarterly reports & annual reports published by respective companies; Morgan Stanley Research - European Telcos | B2B: A mixed bag (15 Nov 2021) & Morgan Stanley Research - European Telcos | B2B: Flat at last (Apr 2022)

We grew despite some headwinds

Our growth drivers



Strong performance in mobile
driven by volume growth
(democratization of mobile)



Strong growth in IT
driven by cross sell of IT, digitalization &
faster adoption of digital products

Headwinds



**Legacy fixed
line erosion**



**Covid-19 impact
in roaming**

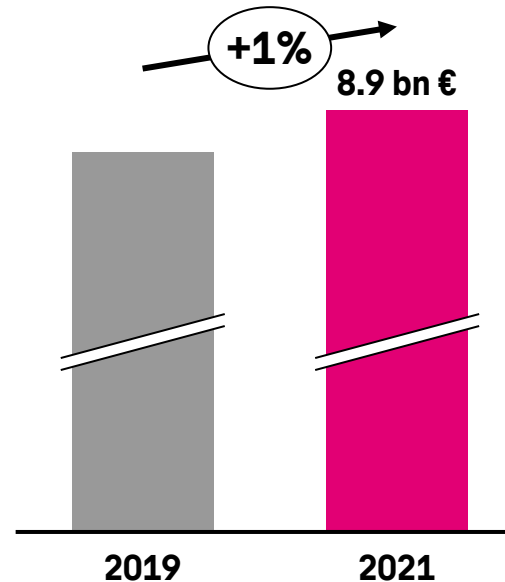


**Managing
TC integration**

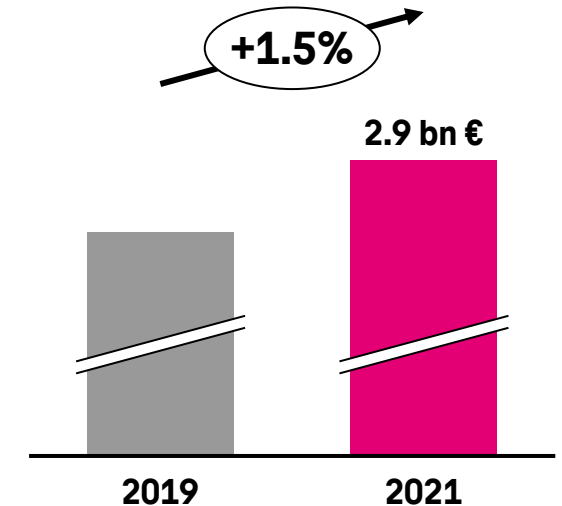


IP migration

Total Revenues B2B



Total Mobile Revenues B2B



We differentiate ourselves from competition

Best Customer Centricity

Record-high customer satisfaction

TRI*M 2021: 78 Points, preferred partner for digitalization



Leading B2B Brand in Germany

Customer perception as **digitalization leader** & **strong media presence** (DigitalX, Social Media, Ads, etc.)



Strong position in German market

Portfolio **covers all segments** from KMU to XL and Public addressing >2.4m customers



Powerful Sales Force & Delivery

Market-leading **direct sales force** with industry specific know-how & young talents



Best products

Undisputed Mobile Leader

Capitalized on **mobile democratization** wave; **market share increase** from 53% in '14 to 57% in '20



IT complementing TC

Sustainably growing **IT product portfolio** (growth 2020/21: +12%), esp. in **KMU and Mittelstand**



Integrated Products

Increased **customer retention** (50% lower churn rate vs. standalone products, TRI*M +10pts) and **upsell**



Extensive Partner Network

> 5,500 **international partners**
> 500 **startups** under contract



Best Network

Leading Network

In fixed line & **5G coverage** (>90% 5G household coverage beginning of 2022)



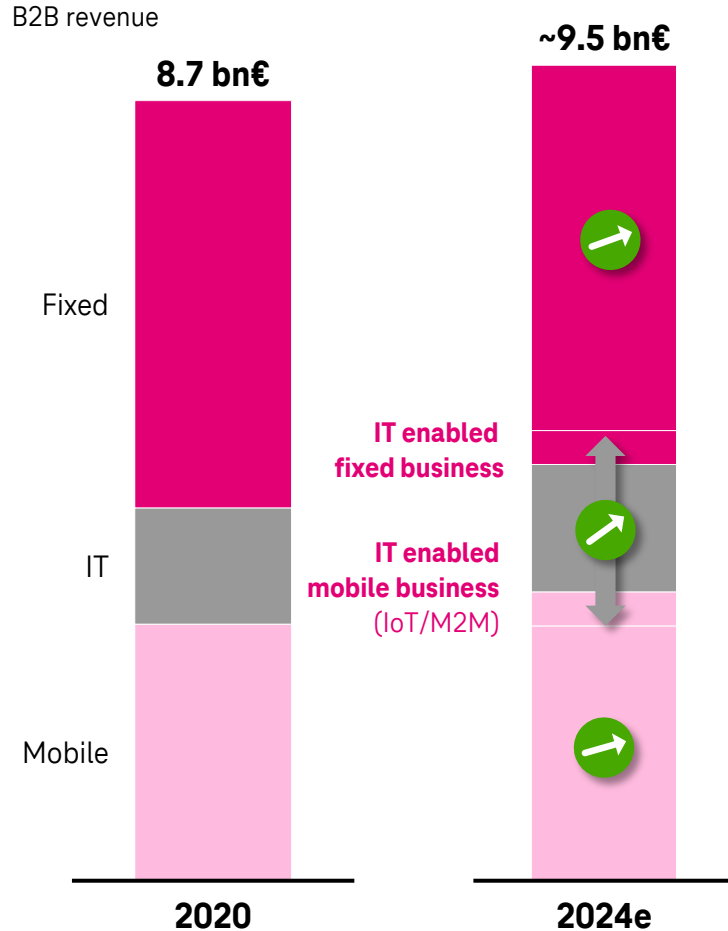
Successful Network Transformation

Ahead of our peers in network transformation (all-IP)



We are proactively transforming our business

Our CMD promise



Fixed
WAN
Leased
Lines

IT

Mobile

From

Classic network & security solutions (e.g. MPLS)



Legacy voice / low bandwidth broadband business



Project driven standalone products & reselling



Solid growth in core connectivity & standalone products



To

- Software defined everything (“SD-X”)
- Premium Internet based underlay
- Built-in security (e.g. SASE)



- Value Increase (best available speed, FMC first)
- Enterprise Communication & Collaboration



- Recurring revenues from products & solutions supporting our core



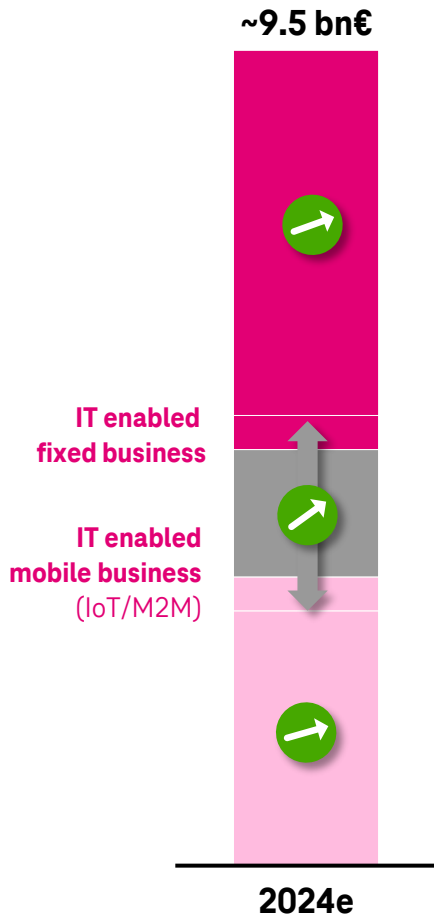
- Further growth in core connectivity
- Leverage best connectivity (5G / Upsell)
- Solution revenue (e.g. ECC, IoT, 5G Campus Networks)



Key initiatives for our transformation

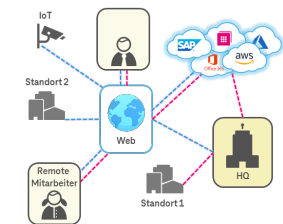
Key initiatives for growth (examples)

Deep Dive on next pages





MagentaBusiness Networks (MBN)

Secure software defined enterprise networks (SD-WAN) based on our global DT network to offer automated, standardized and fast provision & self-service offers.




MagentaBusiness Collaboration (MBC)

Integration of communication and collaboration products with our connection/voice products.

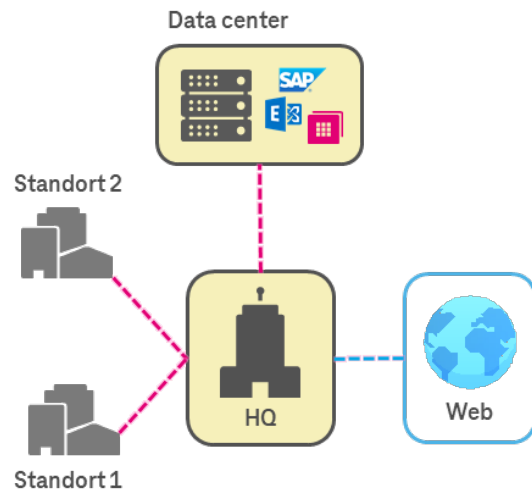
Internet of Things (IoT)

Focused market approach with our partner ecosystem, innovation & new business models to increase the profitability of our IoT business.



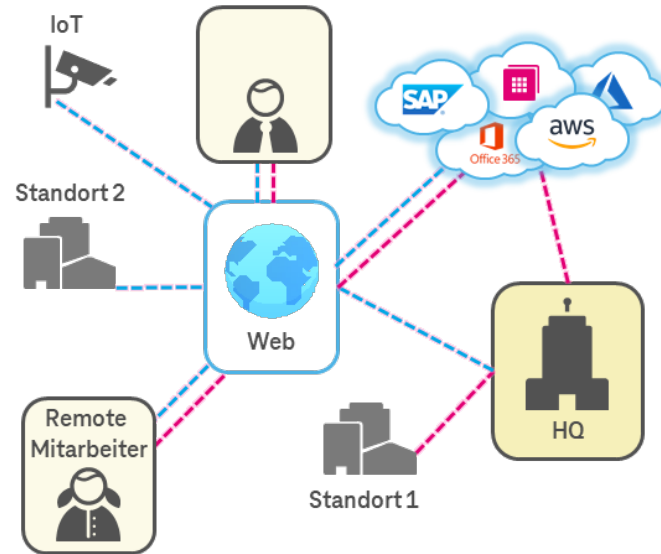
SD-WAN focus for fixed/enterprise networks growth

From centralized...



- Central topology (MPLS)
- Central access to the Internet
- Static data flows & limited cloud

...to decentralized network models



- Decentralized topology (SD-X)
- Local access to the Internet
- Cloud services and mobile working

Our success factors



Leading SD-X product portfolio



Strong partner network

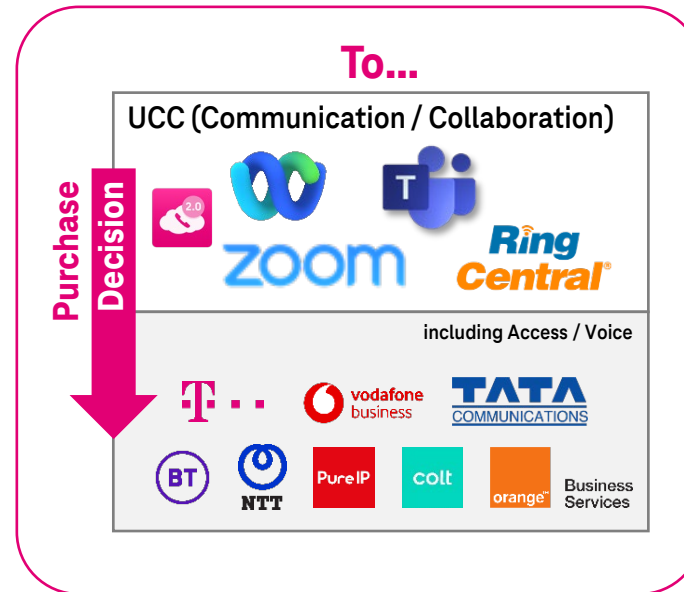
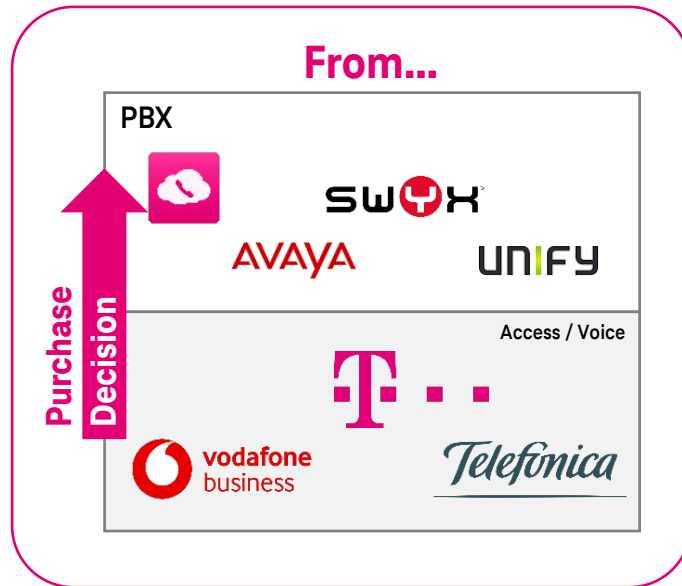


Cost effectiveness driven by automation & self service



Fast time to market

MBC is our answer to changed market dynamics



- OTT players entering the market
- Customers buy **access** independently from **voice**
- **Purchase decision** increasingly originating from **UCC solutions**

Need for market leading Communication & Collaboration portfolio integrated with our core offerings

Our success factors



One frontend for all collaboration solutions



Leading partners onboarded
(e.g. Microsoft TeamsX)



Price advantage for our customers



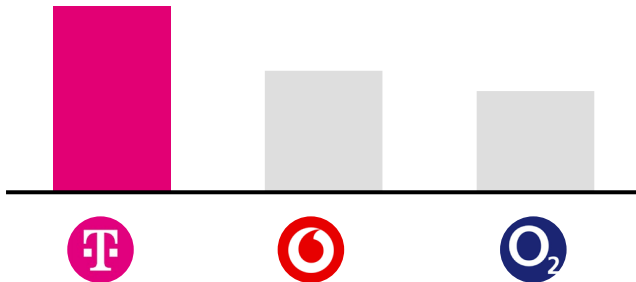
Hosted in Germany

We are leading in the mobile market

Undisputed network leader

Best 5G Coverage

>92%



>100,000 antennas

>34,000 sites

>2,000 5G sites on 3,6 GHz

What matters for B2B customers

Coverage

Reliability

Service



Our focus topics



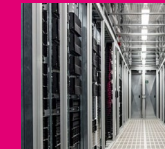
Network Slicing

e.g. for mobile gaming, video production



IoT

15% revenue growth (H1 21 vs. H1 22)



5G campus networks

Projects with top customers launched (i.e. Deutsche Messe – biggest German Campus Network)



AR/XR

e.g. AR FieldAdvisor

Q&A

