

**Deutsche Telekom  
Investor presentation  
November 2023**



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In addition to figures prepared in accordance with IFRS, Deutsche Telekom also presents alternative performance measures, including, among others, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA after leases, adjusted EBITDA margin, Core EBITDA, adjusted EBIT, adjusted net income, free cash flow, free cash flow after leases, gross debt, net debt after leases and net debt. These alternative performance measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Alternative performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways.

# 9M 2023 results

## Group

# 9M/2023 results

## continued growth

### 9M/2023 Highlights

- Organic Growth: Group service revenues up 3.3%, Group adj. core EBITDA AL up 6.8% (+8.9% in Q3), all segments contributing. FCF AL up 27.6%
- US/GER/EU: Strong customer momentum. GER: First quarter without line losses since liberalization
- GER with 28<sup>th</sup>, EU with 23<sup>rd</sup> consecutive quarter of org. EBITDA growth
- Guidance for TM US and Group 2023 EBITDA AL and FCF AL raised again
- Initial TM US buyback program completed. DT stake in TM US increased to 52.1% as of September 30; net debt down 10% yoy
- TM US announces new shareholder remuneration program of up to 19bn US\$, including dividends of 3.75bn US\$ by year end 2024<sup>1</sup>
- TM US agrees on spectrum purchase with Comcast
- DT BoM plans to propose dividend of €0.77 per DT share and announces share buyback program of up to €2 bn for 2024<sup>2</sup>



<sup>1</sup> Up to \$19.0 billion that will run through December 31, 2024. First dividend of approximately \$750 million expected in the fourth quarter of 2023 and then approximately \$3.0 billion in total additional dividends in 2024, with payments occurring each quarter during the year. The dividend amount paid per share is expected to grow by around 10% annually. The amount available under the Shareholder Return Program for share repurchases will be reduced by the amount of any cash dividends declared and paid by the Company.

<sup>2</sup> Subject to necessary board resolutions and AGM approval

# Financials 9M/2023 reported

## reported financials impacted by f/x and tower sale

€ mn

	Q3			9M		
	2022	2023	Change	2022	2023	Change
Revenue	28,979	27,556	-4.9%	84,613	82,616	-2.4%
Adj. EBITDA AL	10,481	10,486	+0.0%	30,244	30,488	+0.8%
Adj. EBITDA AL (excl. US) <sup>1</sup>	3,791	3,695	-2.6%	11,046	10,606	-4.0%
Adj. Net profit	2,411	2,268	-5.9%	7,094	6,114	-13.8%
Net profit	1,578	1,924	+21.9%	6,987	18,823	+169.4%
Adj. EPS (in €)	0.48	0.46	-4.2%	1.43	1.23	-14.0%
Free cash flow AL <sup>2</sup>	2,904	4,688	+61.4%	9,444	11,789	+24.8%
Cash capex <sup>2</sup>	5,582	4,062	-27.2%	15,224	13,243	-13.0%
Net debt excl. leases (AL)	109,501	96,923	-11.5%	109,501	96,923	-11.5%
Net debt incl. leases (IFRS 16)	151,707	137,128	-9.6%	151,707	137,128	-9.6%

Impacted by currency and lower device revenues  
Service revenues growing 3.3% organically

Adj. EBITDA organic  
+3.7% ytd, Q3 +6.2%

Adj. net profit impacted by positive non-recurring factors in 2022.  
Adj. EPS: excl. non-recurring factors growth of 8% in 9M

Ex US Capex +0.5 bn € to 5.7 bn

<sup>1</sup> Decline due to de-consolidation of Group development. Organic growth rate of +2.2% in Q2.

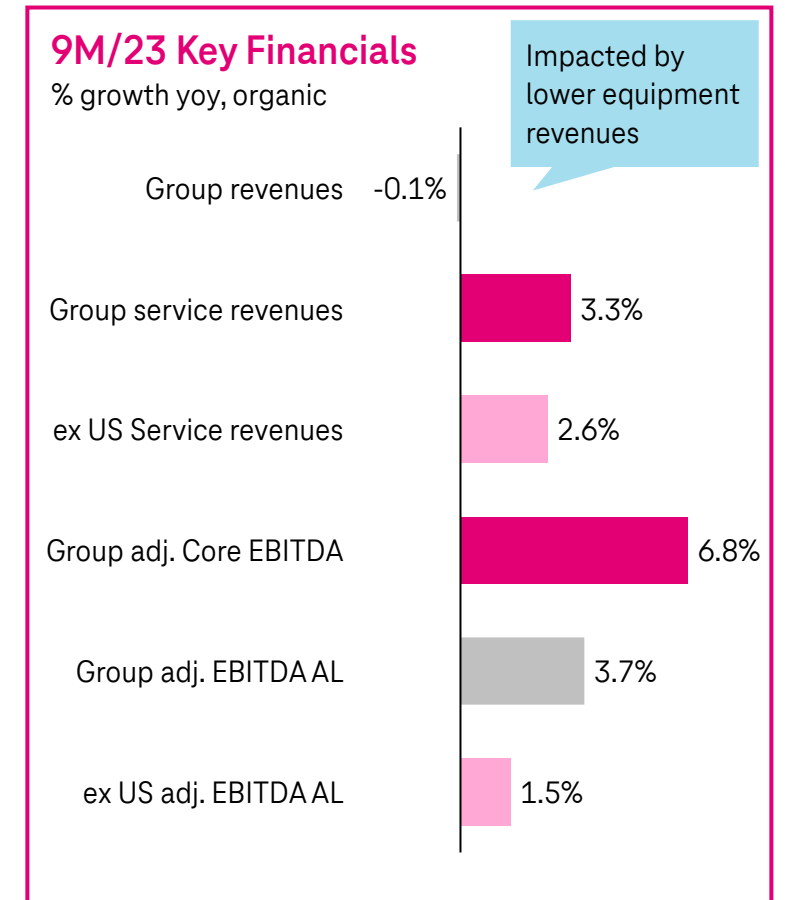
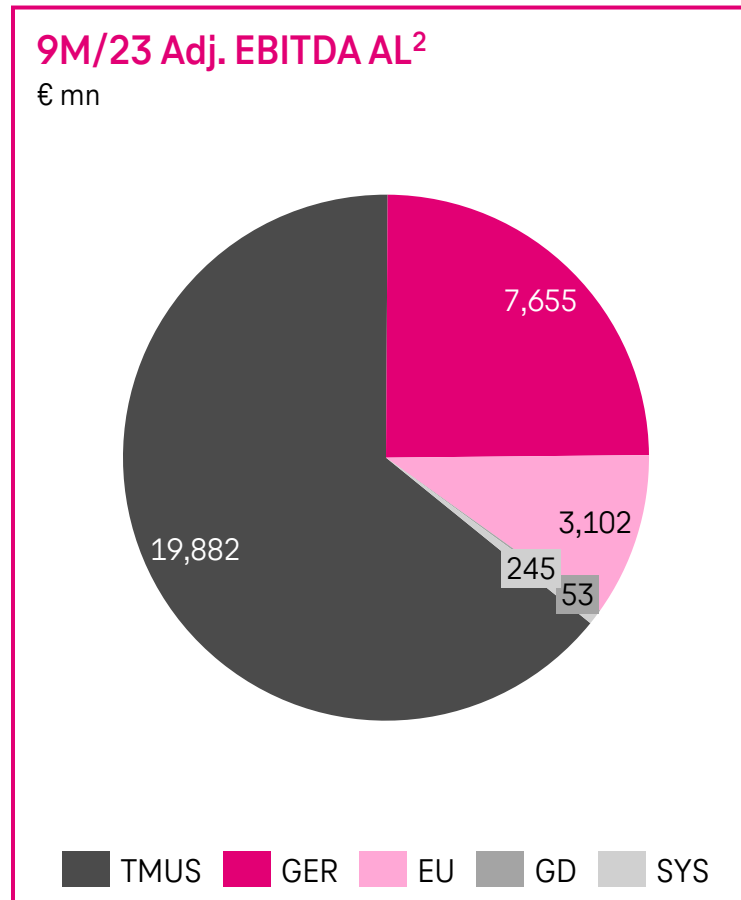
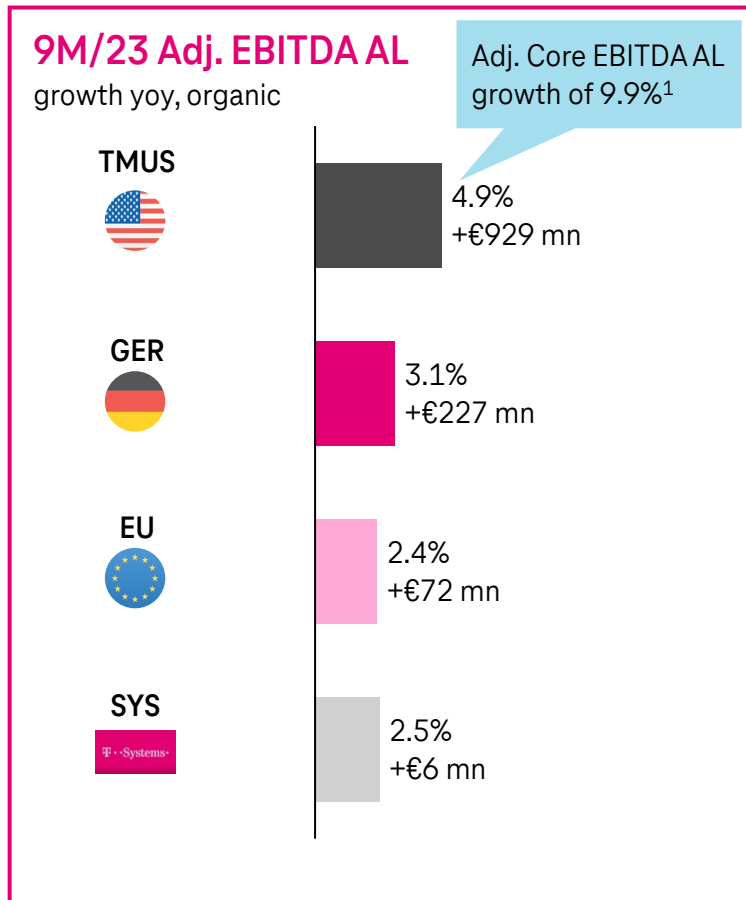
<sup>2</sup> Free cash flow AL before dividend and before spectrum investments. Cash capex before spectrum investment. Spectrum: Q3/22: €367 mn; Q3/23: €203 mn. 9M/22: €2,984 mn; 9M/23 €459 mn.

In this presentation the Group is presented in accordance with the management view: certain key performance indicators like revenue and adj. EBITDA AL are presented as if Group Development still would be fully consolidated.

This view is different to the consolidated financial statements of DT where Group Development is treated as a discontinued operation. For more details, please refer to the back-up to this presentation, respectively the interim report of DT both available at [www.telekom.com/en/investor-relations](http://www.telekom.com/en/investor-relations)

# Financials 9M/2023 organic

## strong organic growth



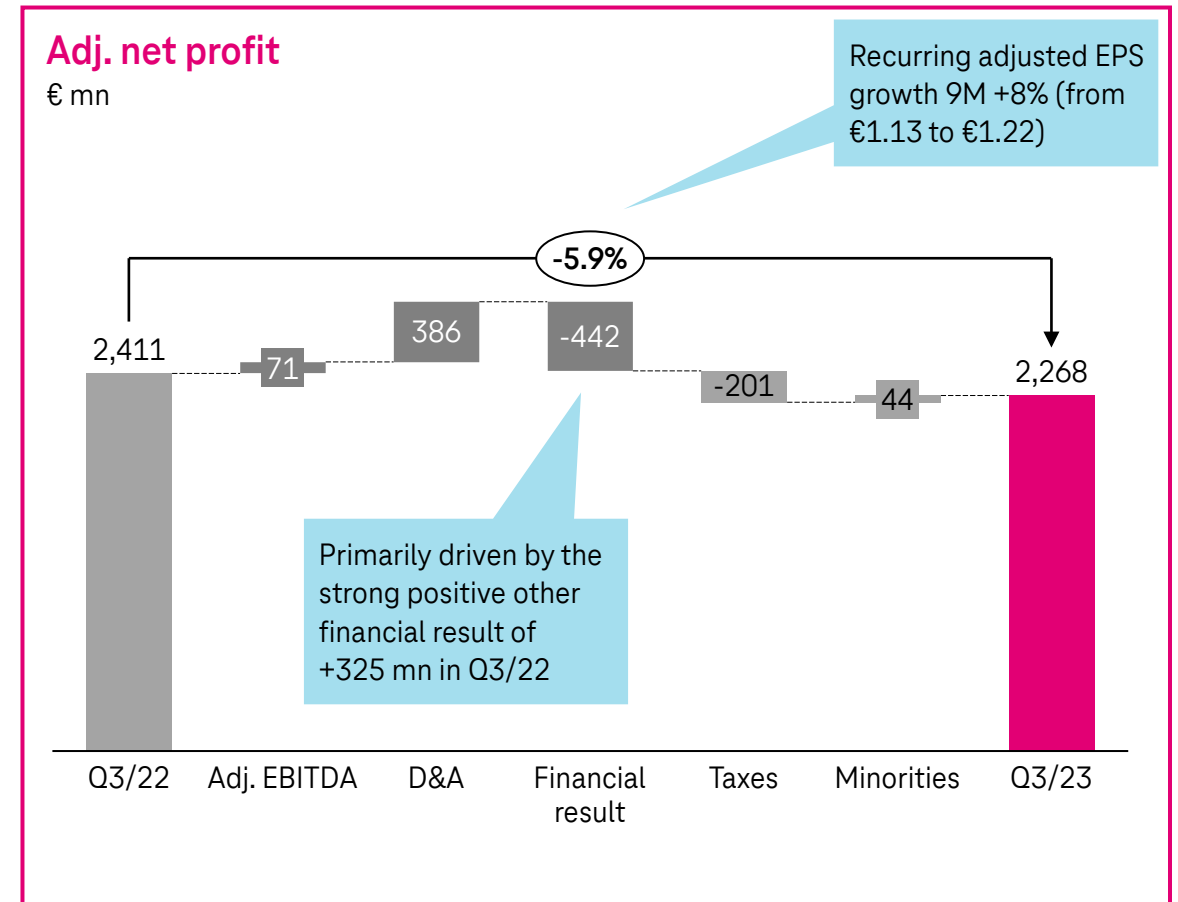
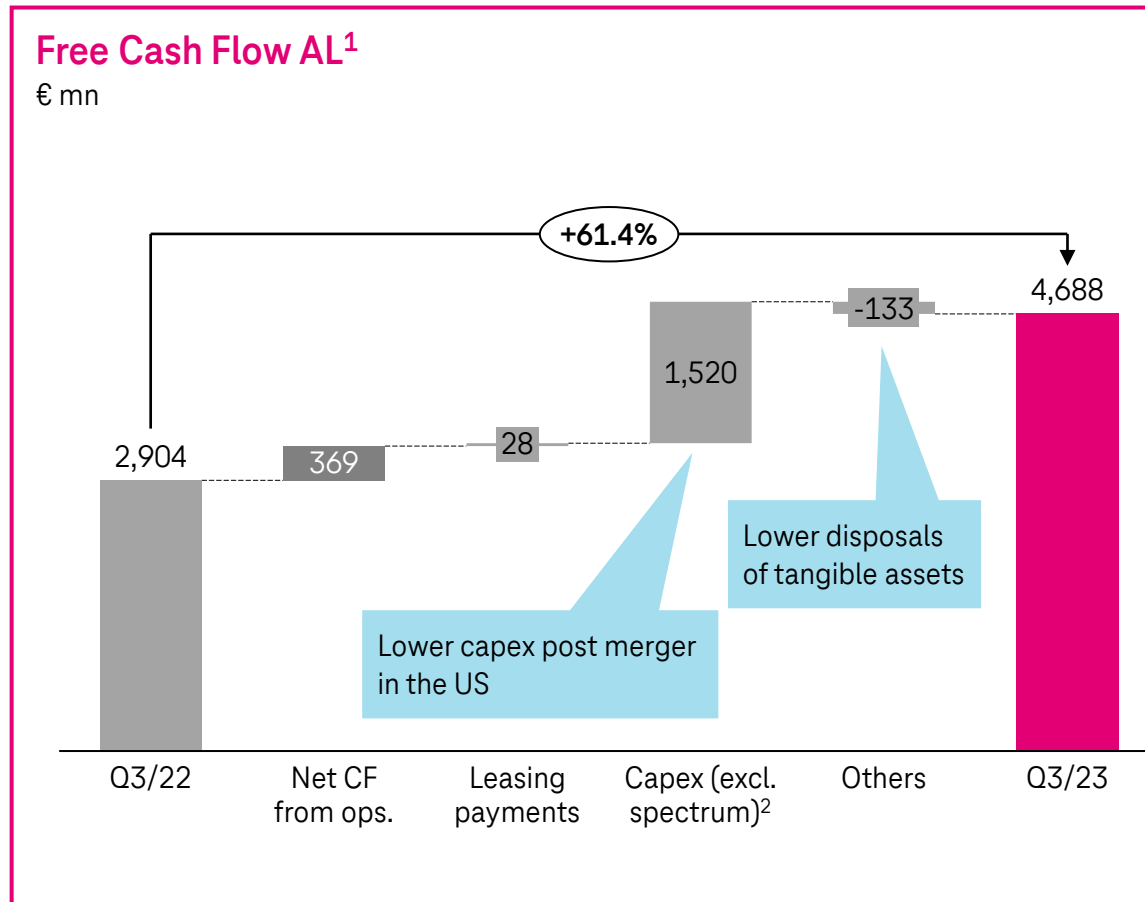
<sup>1</sup> according to IFRS. US GAAP growth is 10.7%. Adj. Core EBITDA excludes decreasing handset leasing revenues (US\$ -0.9 bn yoy). <sup>2</sup> Excl. GHS. Group EBITDA AL €30,488 mn.

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# FCF AL and net profit

free cash flow driven by better operations and lower US capex



<sup>1</sup> Free cash flow and FCF AL before dividend payments and spectrum investment. <sup>2</sup> Spectrum: Q3/22: €367 mn; Q3/23: €203 mn.

In this presentation the Group is presented in accordance with the management view: certain key performance indicators like revenue and adj. EBITDA AL are presented as if Group Development still would be fully consolidated.

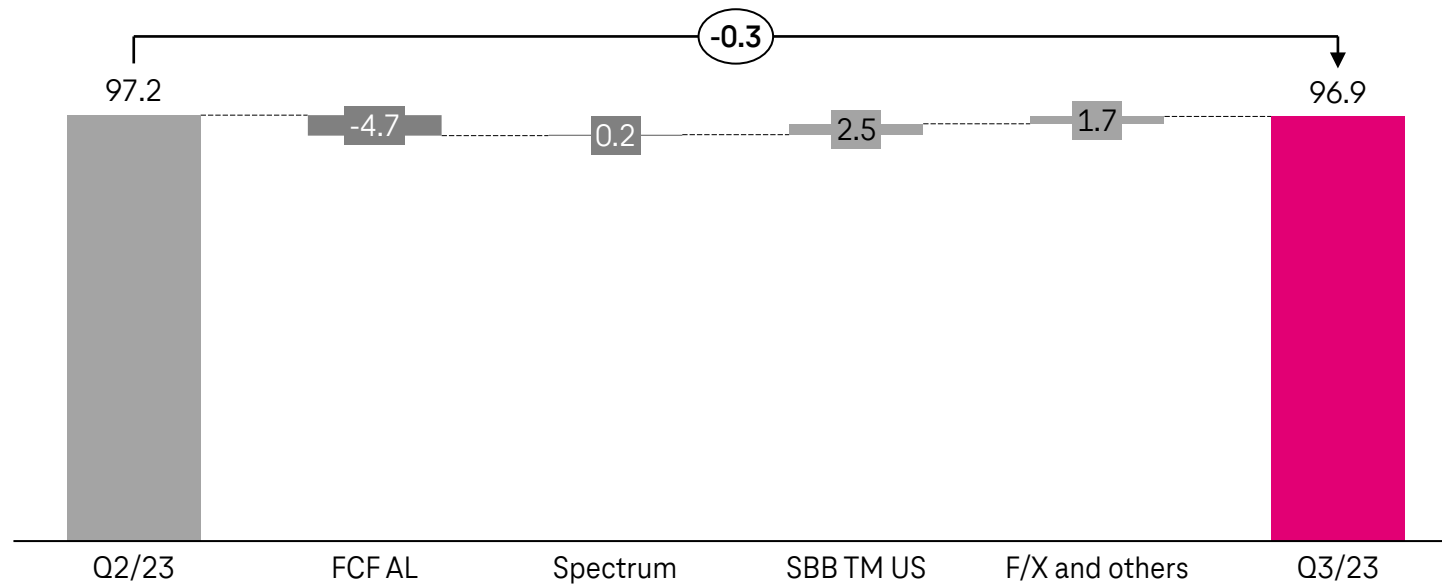
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# Net debt

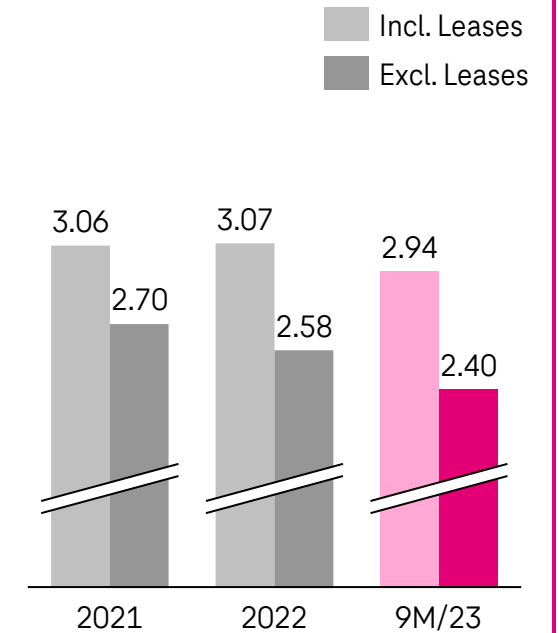
leverage ex leases at 2.40x

## Net debt excl. leases (AL)

€ bn



## Leverage ratios

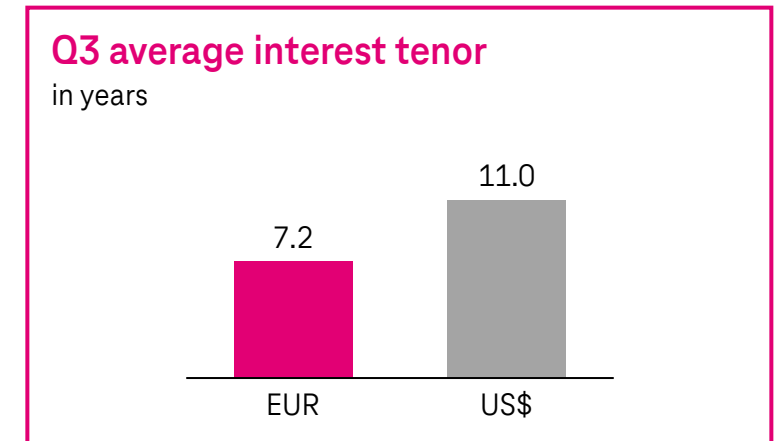
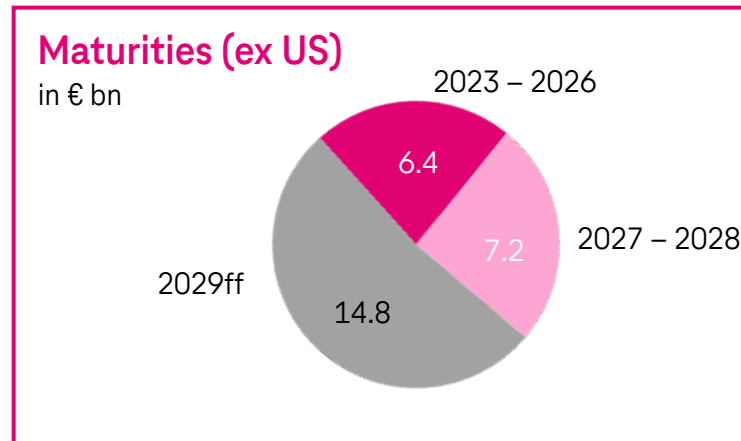
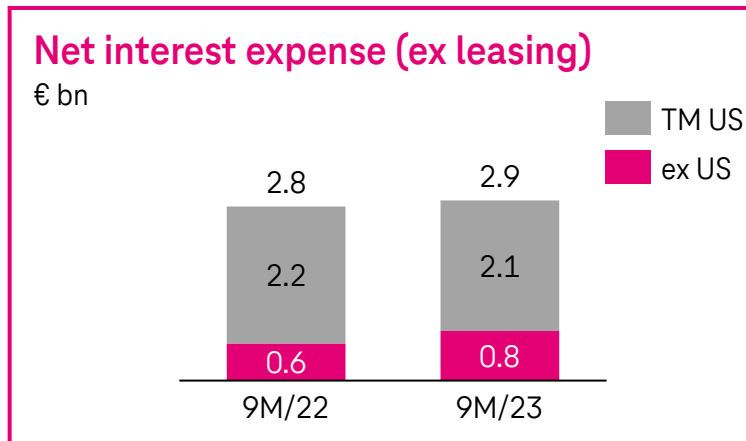
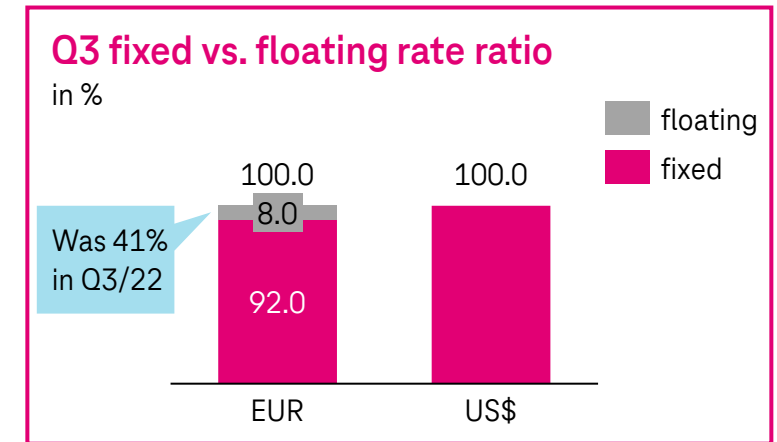
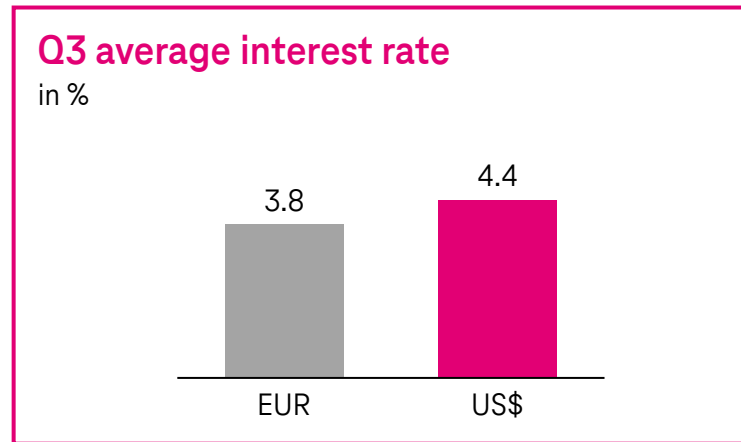
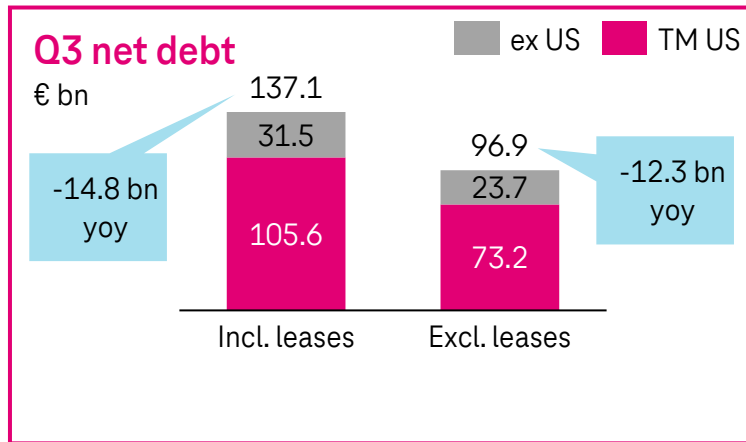




# Net debt and interest deep dive

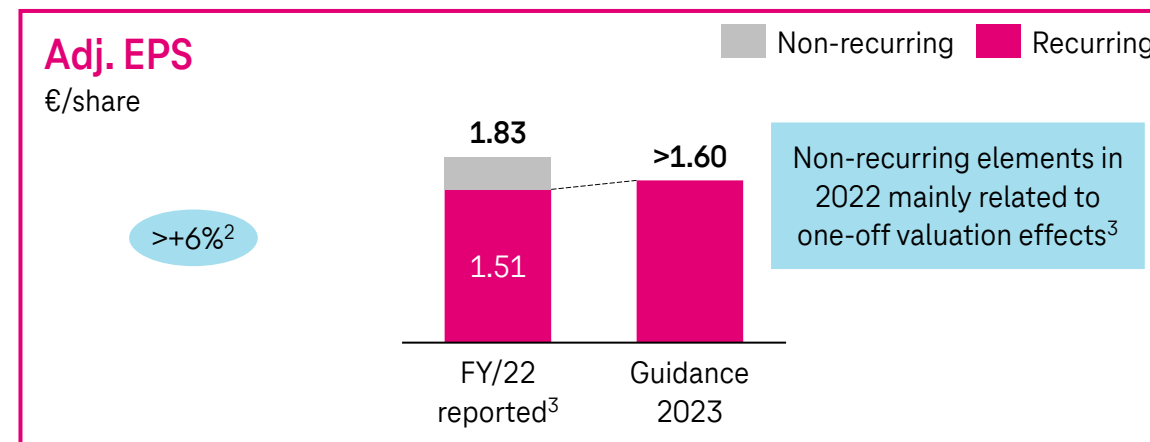
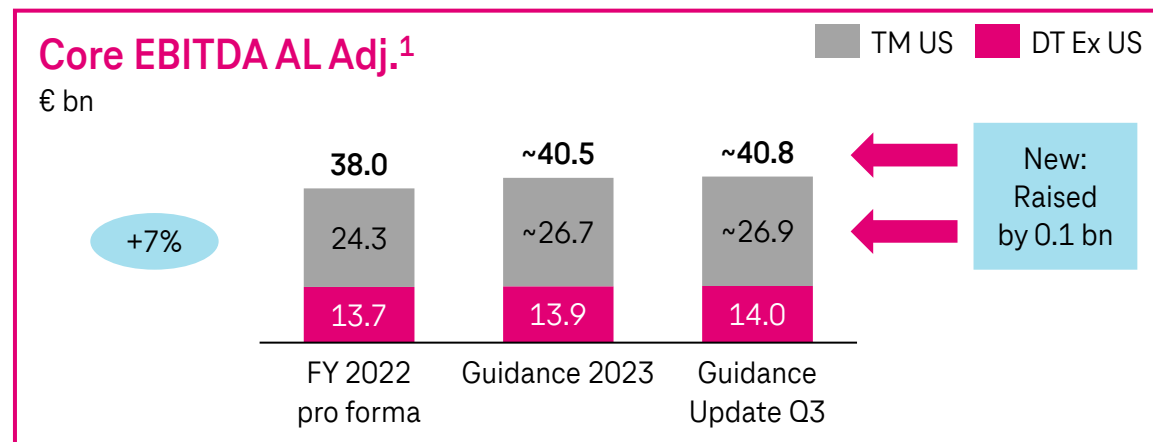
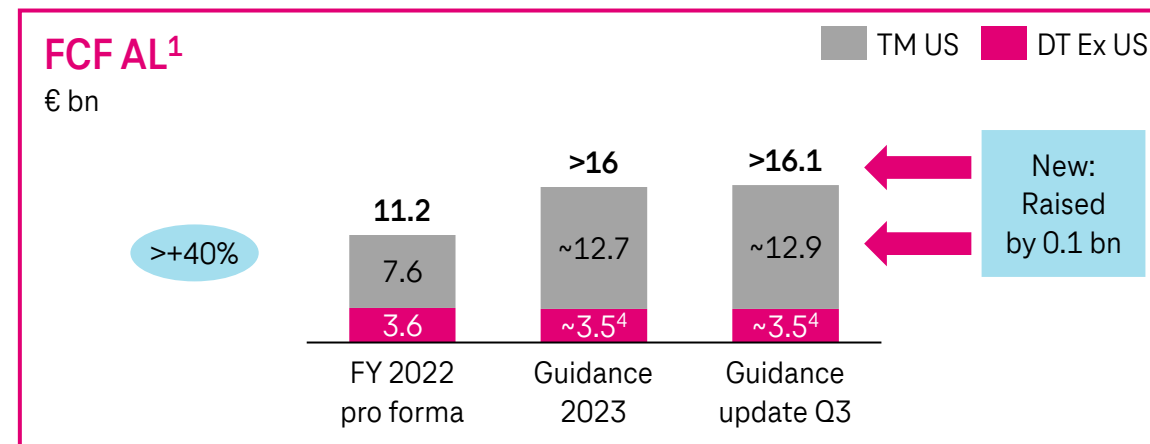
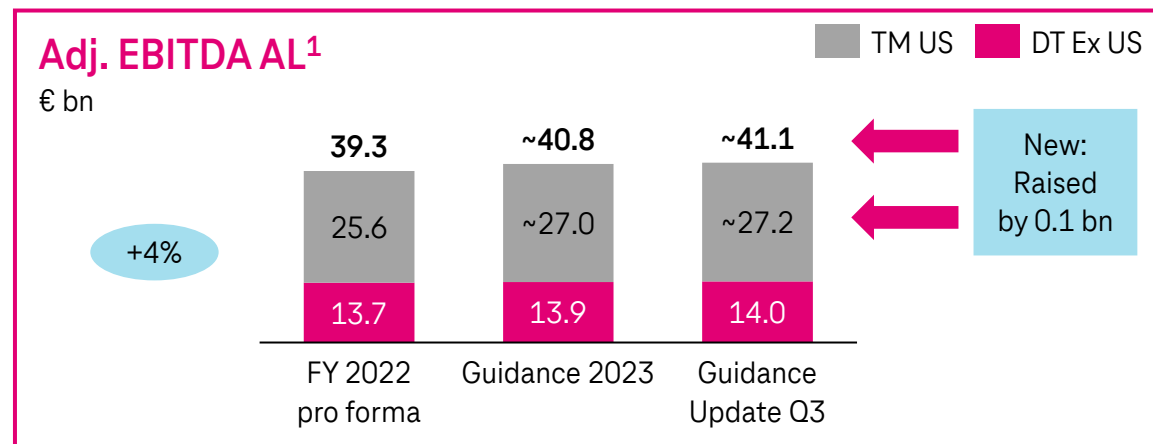
## solid financing framework

All 3 rating agencies at BBB+ with stable outlook



# Updated Guidance 2023

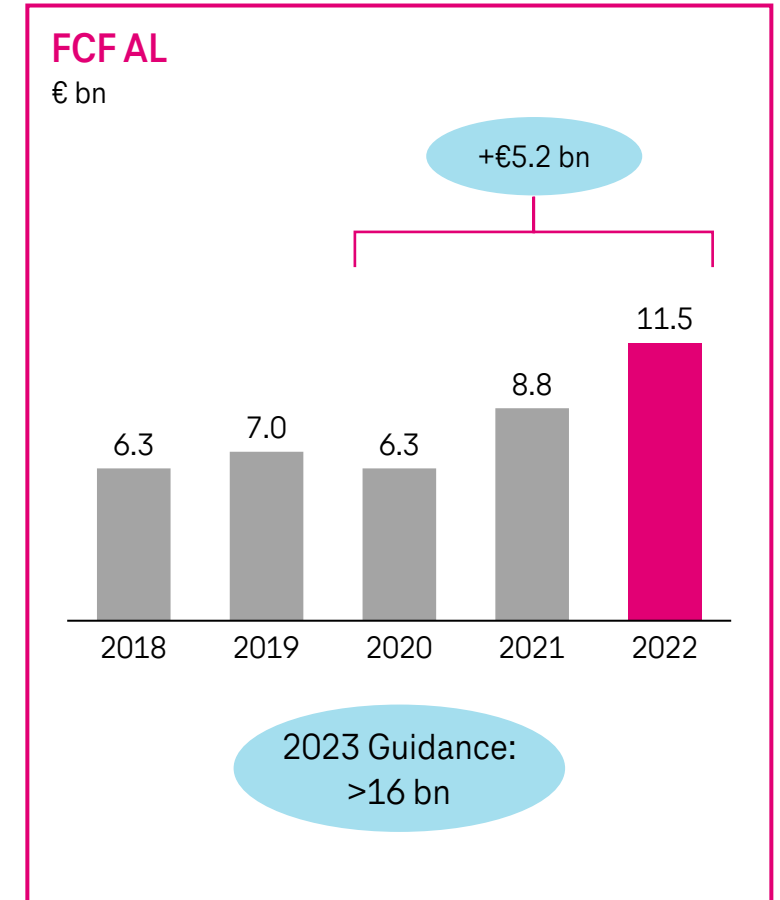
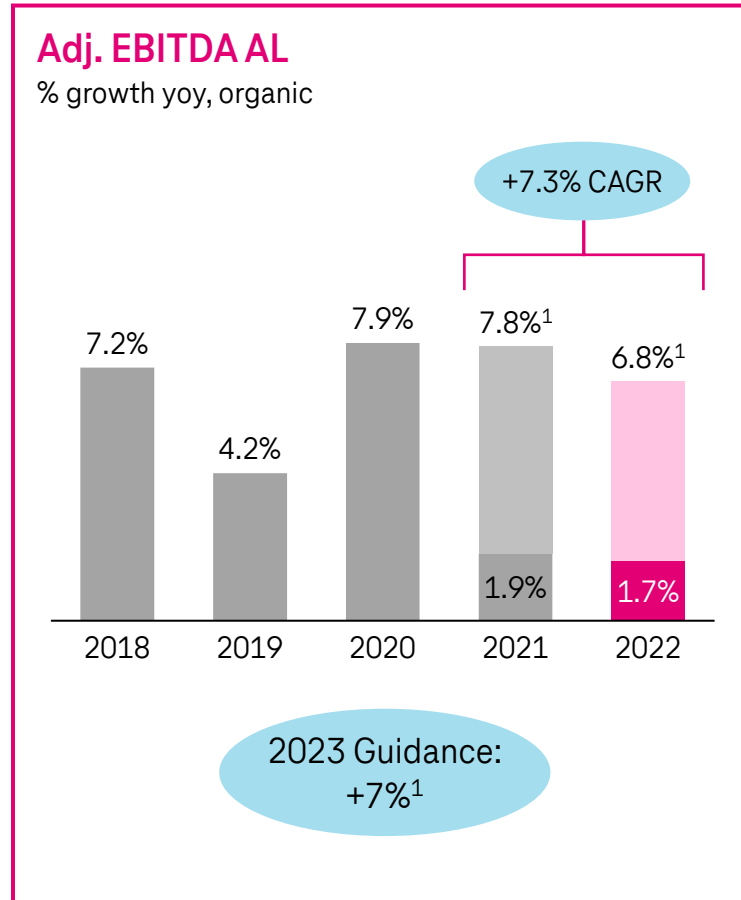
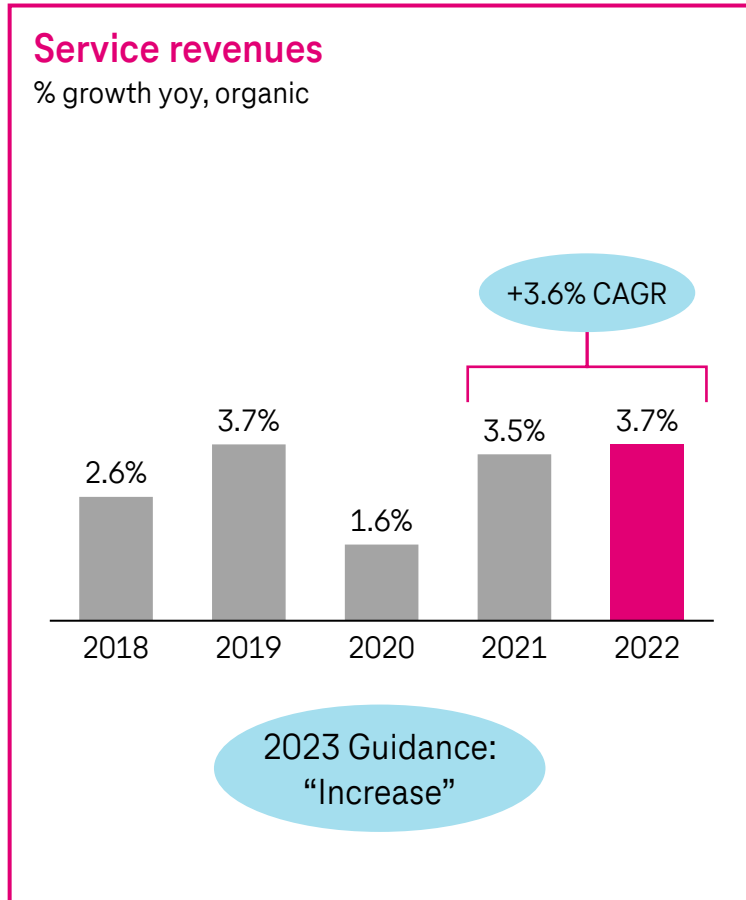
## continued growth – 3<sup>rd</sup> upgrade



<sup>1</sup> TM US guidance is based on midpoint of US GAAP guidance of US\$29.3 – 29.5 bn adj. EBITDA; of US\$29.0 – 29.2 bn core adj. EBITDA and of US\$13.4 – 13.6 bn FCF. Guidance assumes a negative bridge of US\$0.8 – 0.85 bn on adj. EBITDA and core adj. EBITDA upon translation into IFRS. Based on 1€ = US\$1.05. <sup>2</sup> On recurring basis. <sup>3</sup> Non-recurring elements in adj. EPS include gains from financial instruments, the contribution from T-Mobile NL in Q1/22, the held-for-sale effect Towers and the interest effect on the valuation of the civil service health insurance fund. <sup>4</sup> Includes €0.2 bn of cash returns and €0.15 bn cash taxes related to tower transaction.

# Group Financials 2018–2022

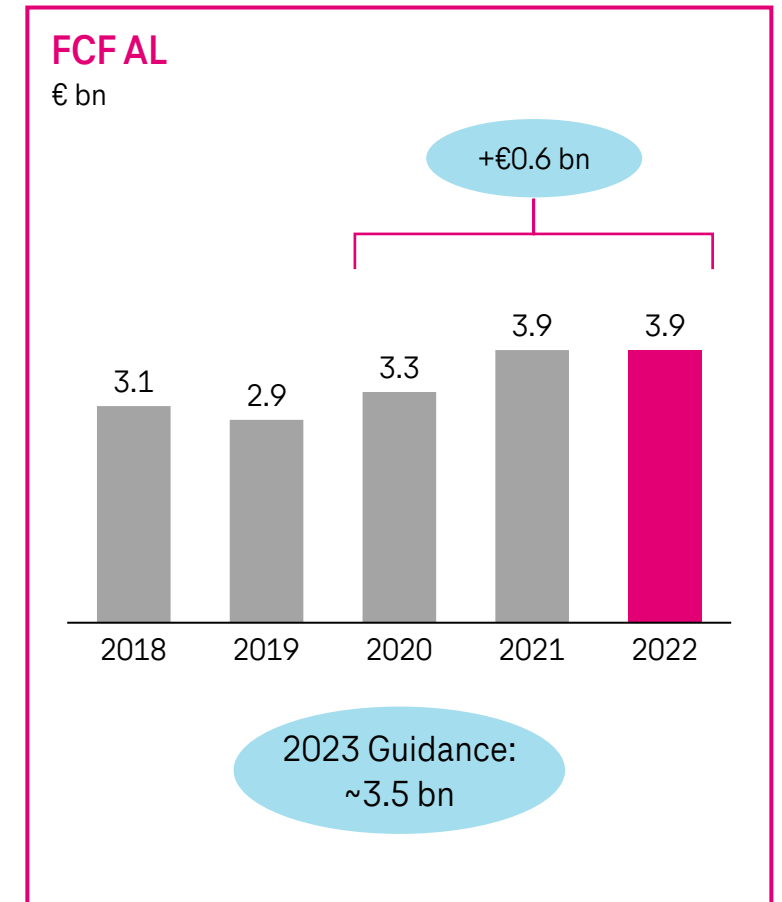
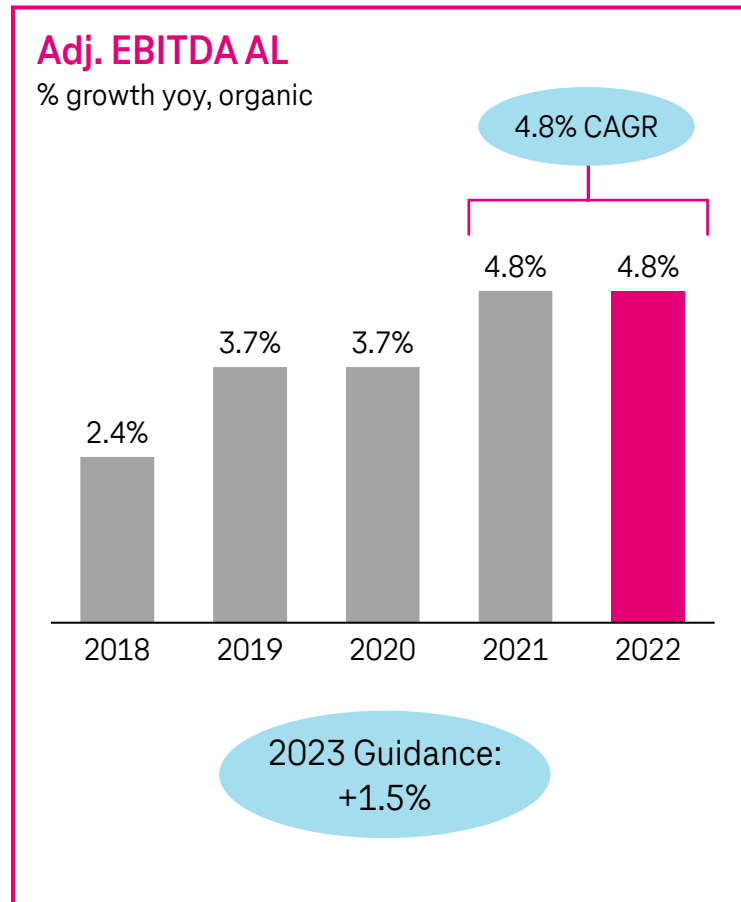
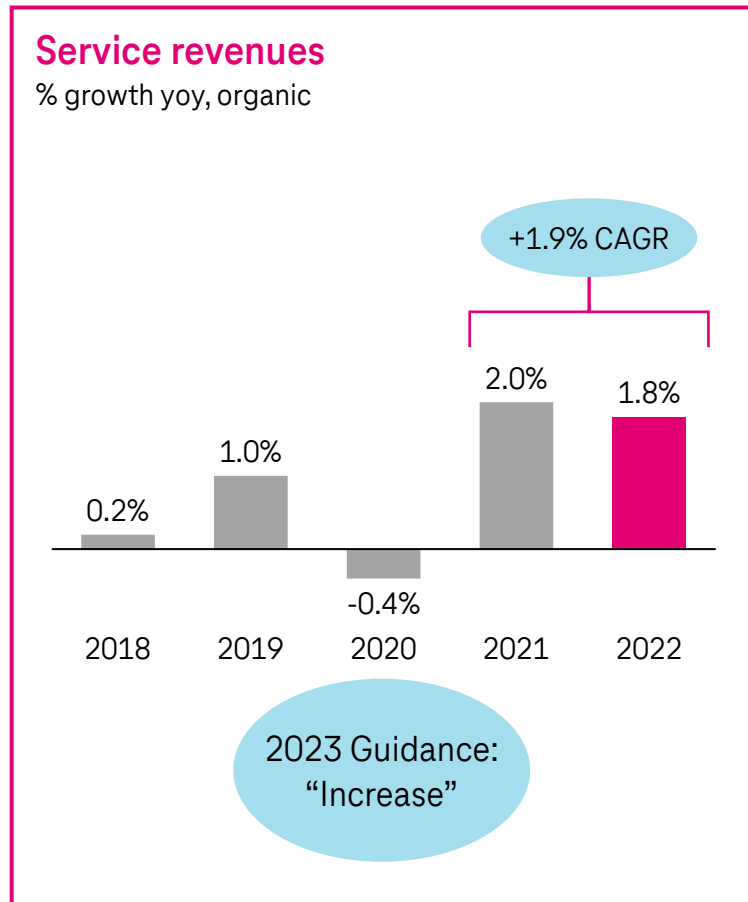
## multi-year growth in key financials



<sup>1</sup>adj. Core EBITDA

# Ex US Financials 2018–2022

## multi-year growth in key financials

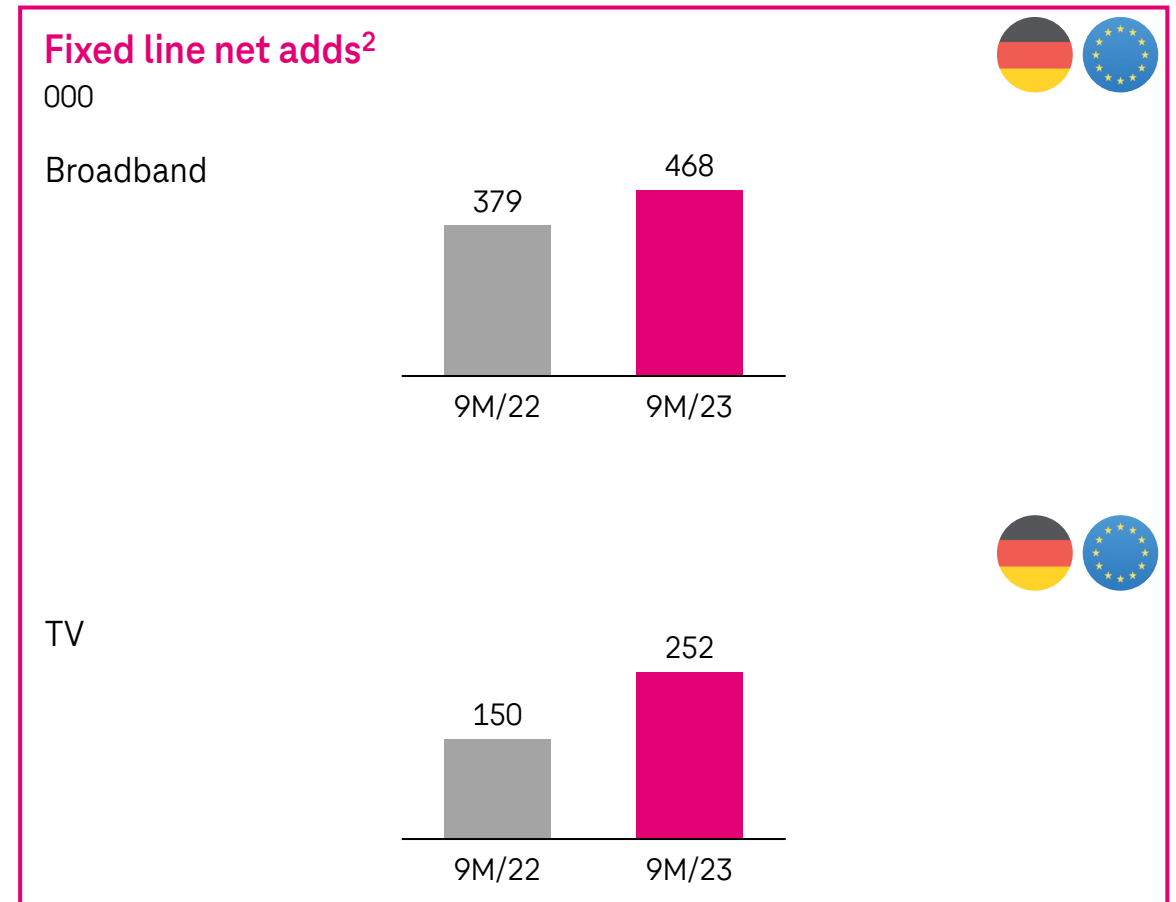
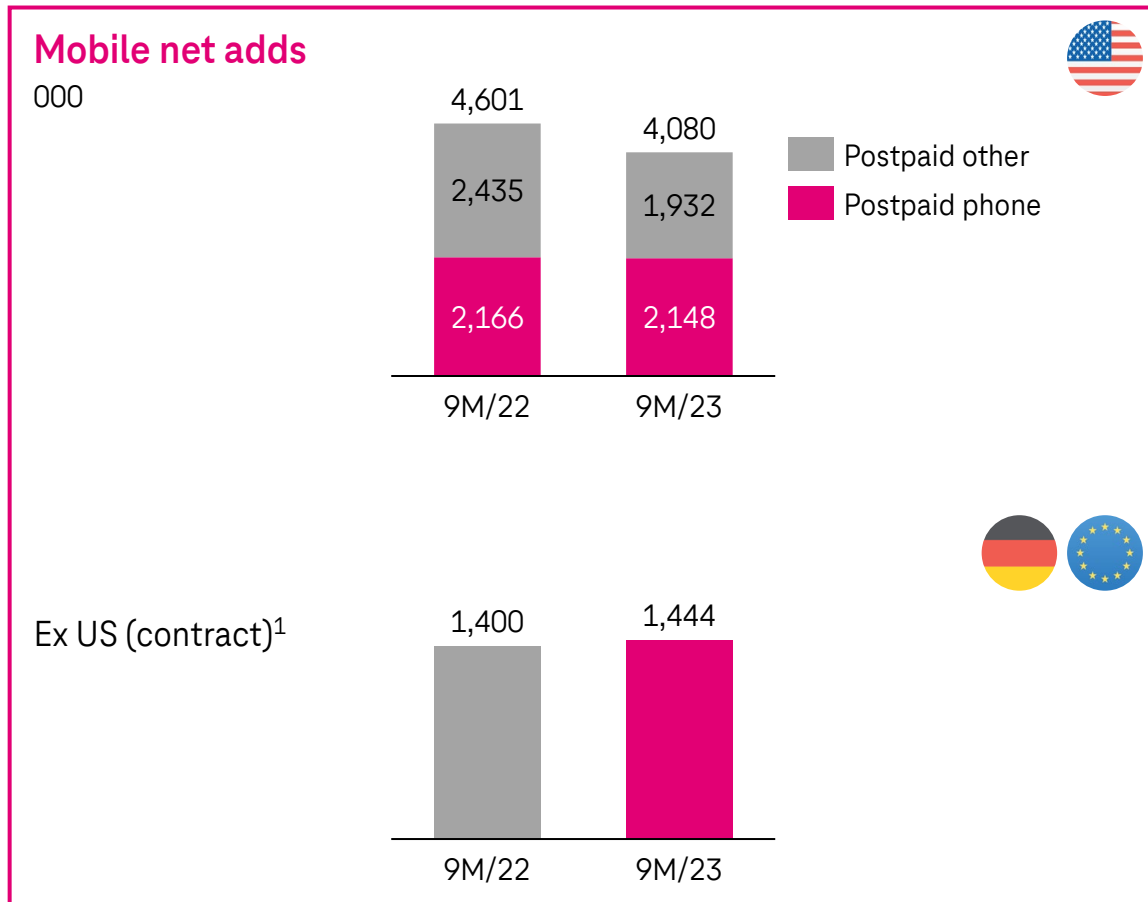


# Q3 2023 results

Deep dive

# Customers

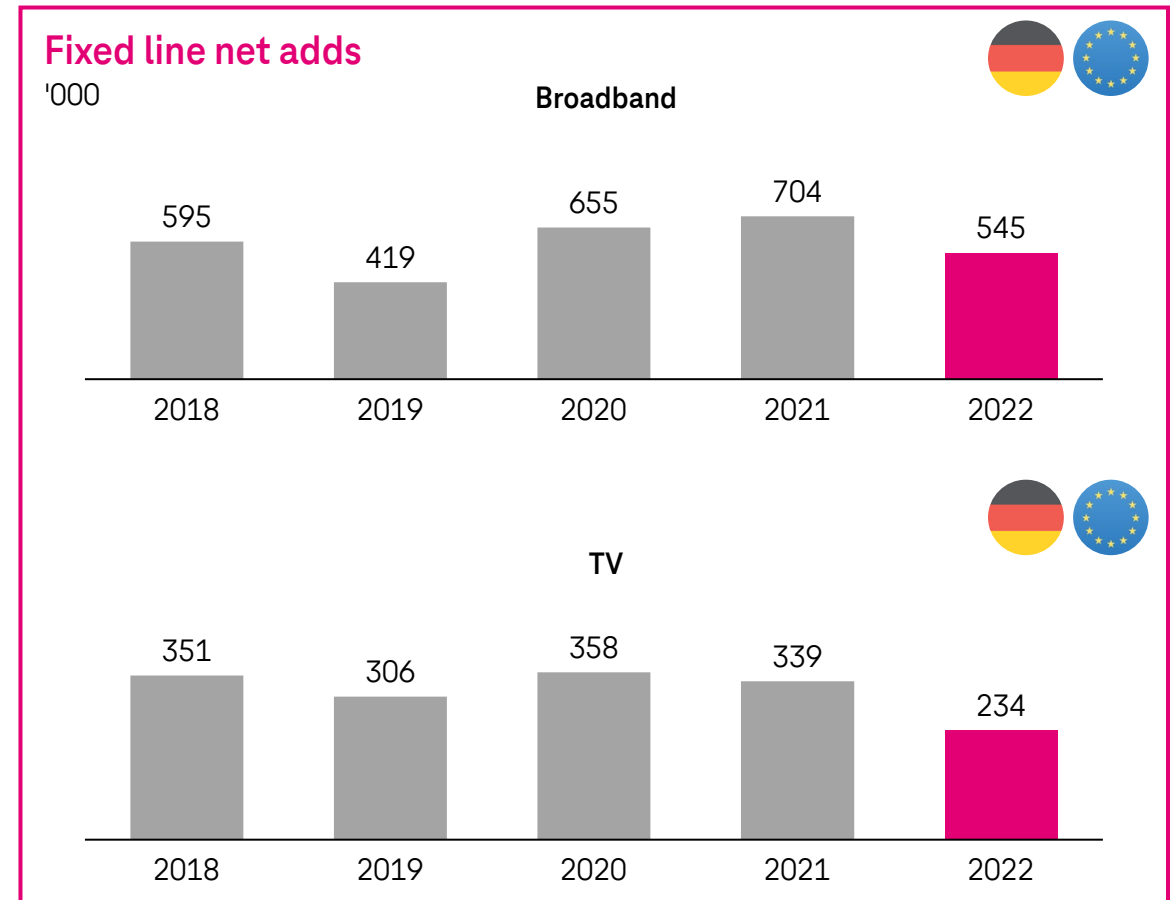
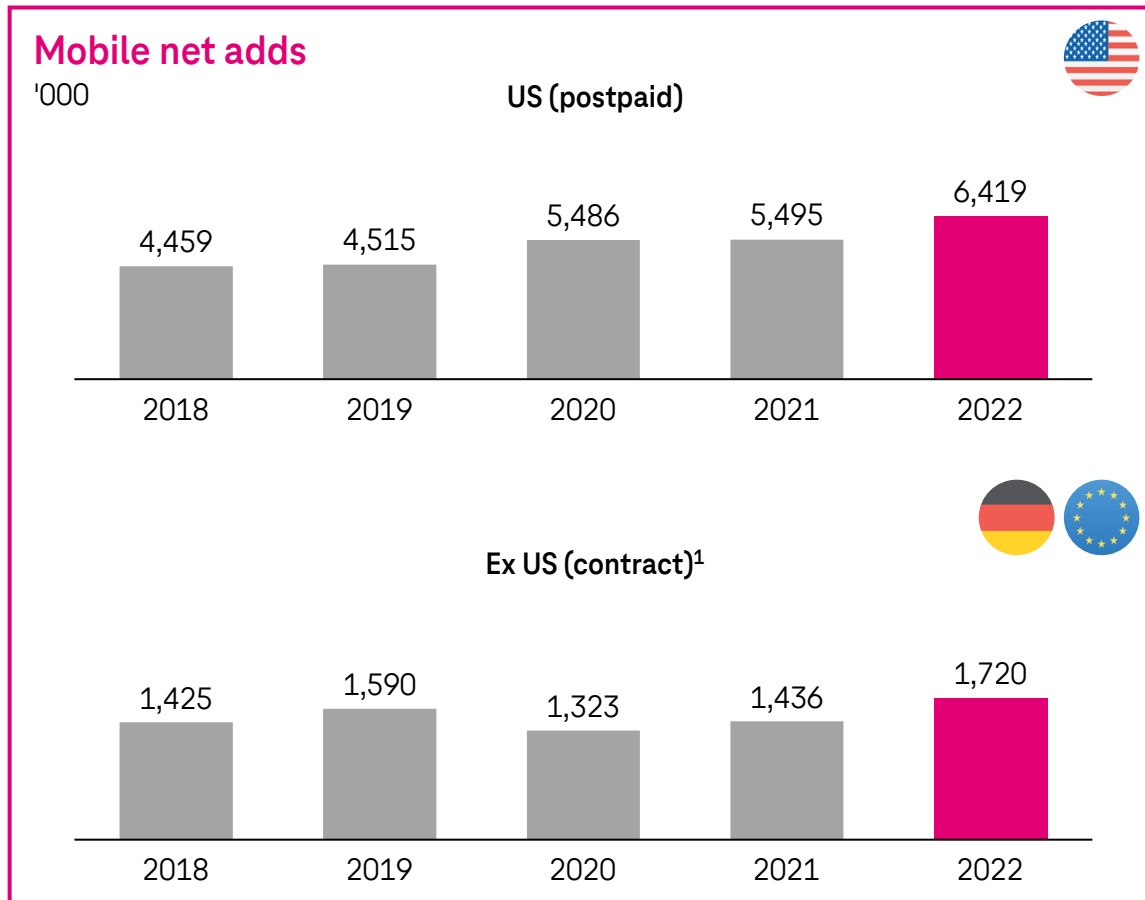
## growing strongly



<sup>1</sup> GER + EU. GER: own brand only    <sup>2</sup> GER + EU

# Customers

## strong growth in every year



<sup>1</sup>GER + EU. GER: Since 2021 Own branded retail customers excl. multibrand, consumer IoT and "Schnellstarter"

# DT climate targets

## sharpened ambitions

### Climate ambitions

(in line with SBTi requirements)

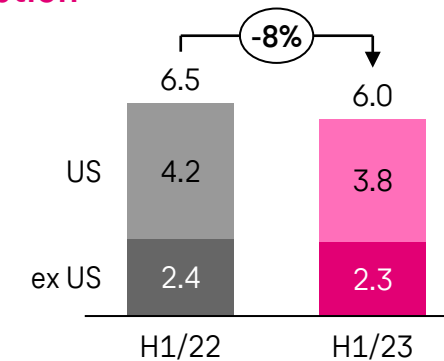
- 2021**      **Renewable electricity**  
as of 2021 ✔
  
- 2025**      Reduce **direct and indirect emissions** from within our  
company to net-zero (Scope 1 – 2)
  
- 2030**      Reduce **Scope 1 – 3 Emissions by 55%**  
against 2020 by 2030. NEW<sup>1</sup>
  
- 2040**      **Climate-neutral company**  
Reduce **Scope 1 – 3 Emissions to Net Zero**  
(with at least 90% reduction) NEW<sup>1</sup>

### Drivers of CO<sub>2</sub> emissions (FY 2022)

Scope 1: own activities	Scope 2: purchased activities	Scope 3: value chain
<b>212 ktons</b> (-10% since 2020)	<b>21 ktons</b> (-99% since 2020)	<b>12,287 ktons</b> 21% downstream: customers 79% upstream: supply chain

### Energy consumption

mn MWh



<sup>1</sup> announced in April 2023



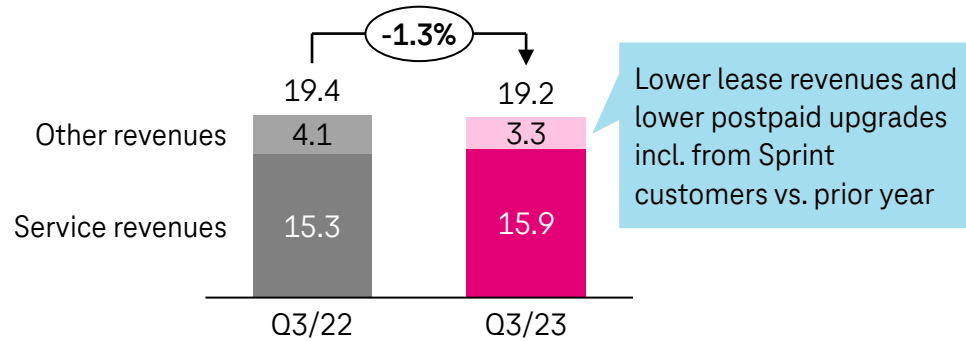
# T-Mobile US

## strong financial growth



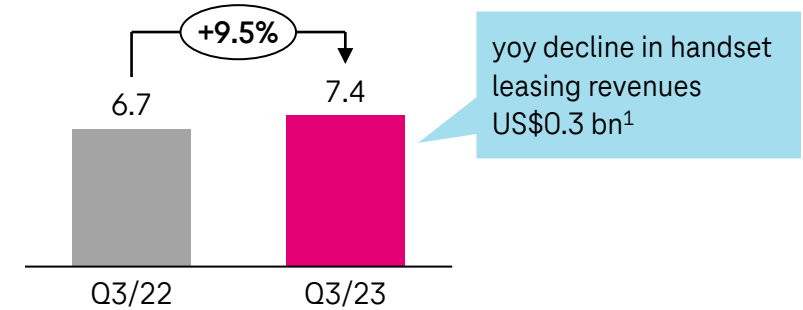
### Revenues (IFRS)

US\$ bn



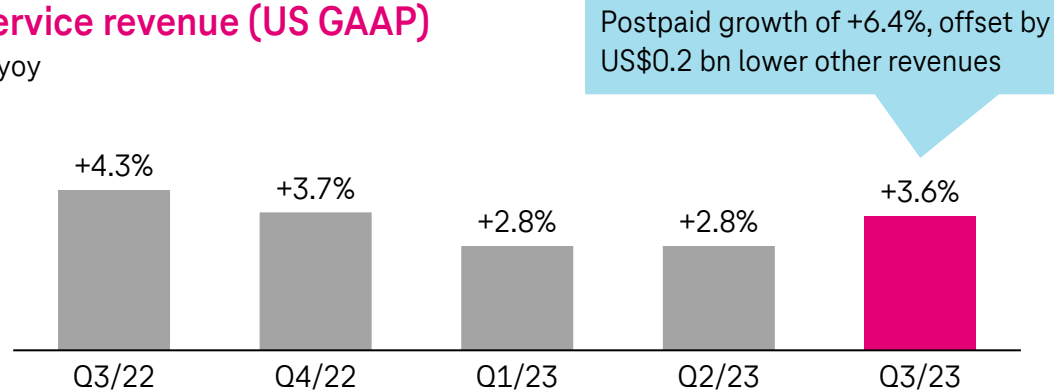
### Adj. EBITDA AL (IFRS)<sup>2</sup>

US\$ bn



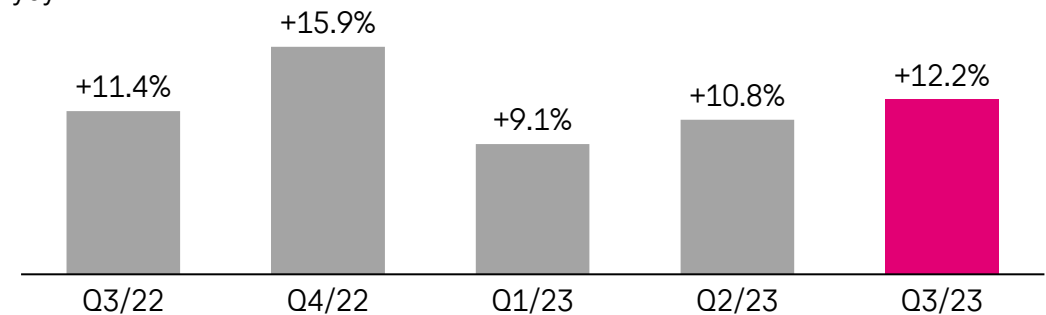
### Service revenue (US GAAP)

% yoy



### Core adj. EBITDA (US GAAP)

% yoy



<sup>1</sup> Due to alignment of Sprint customers to the TMUS device financing model post merger, which results in a decrease of handset leasing revenues and a corresponding decline in revenue and EBITDA AL. Service revenues are not impacted.

<sup>2</sup> For IFRS bridge please refer to appendix.

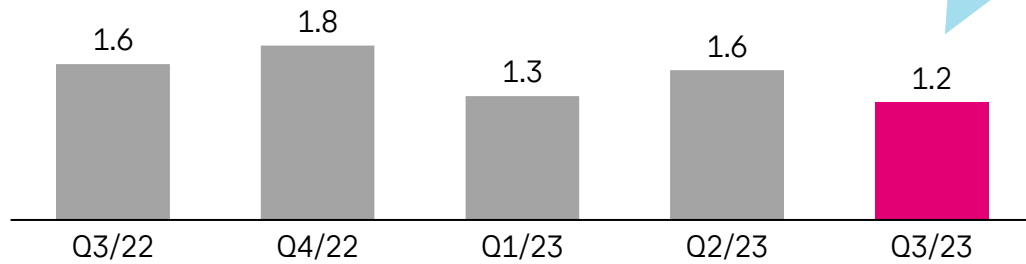
# T-Mobile US

consistent growth in all customer categories



## Total postpaid net additions

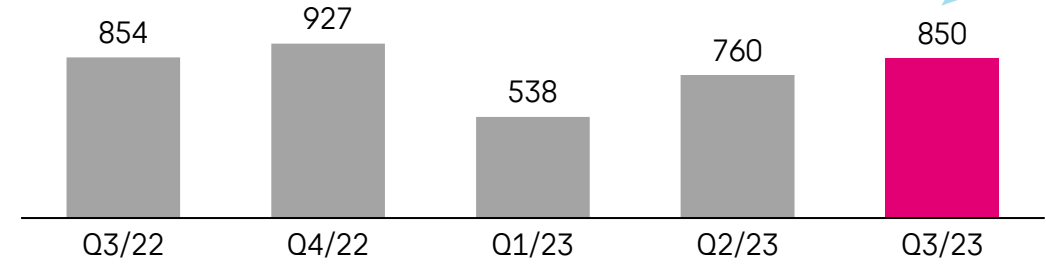
mn



Industry leading, FY guidance raised

## Postpaid phone net additions

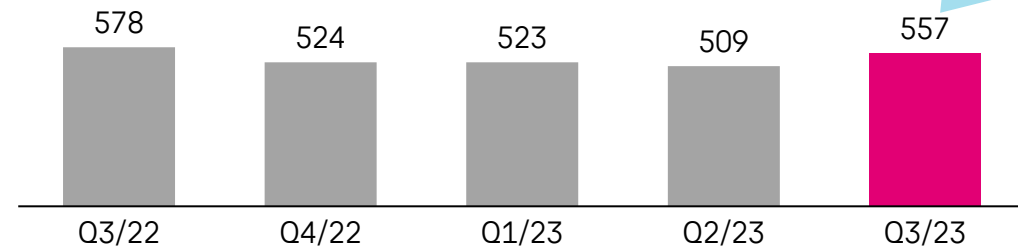
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Industry leading. FY guidance raised

## High Speed Internet net additions<sup>1</sup>

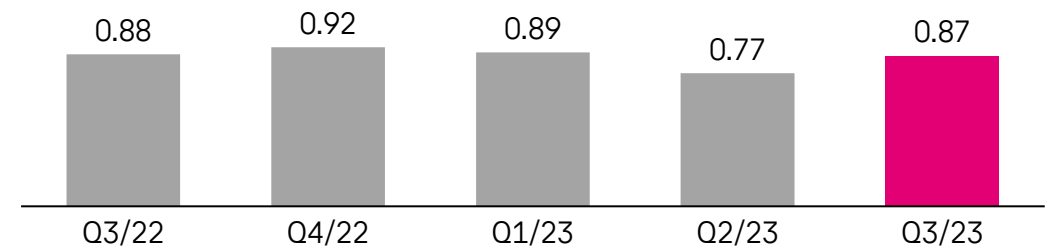
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Total customer base at 4.2 mn, on track for 2025 target of 7 – 8 mn

## Postpaid phone churn

%



Lowest Q3 churn ever

<sup>1</sup> Postpaid + Prepaid

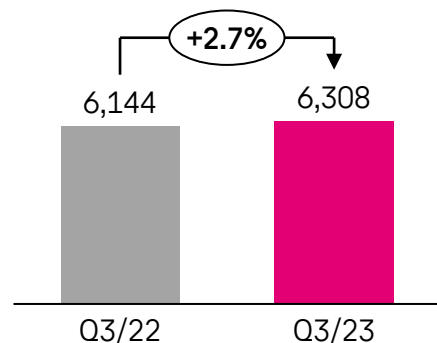
# Germany

## 28<sup>th</sup> consecutive quarter of EBITDA growth



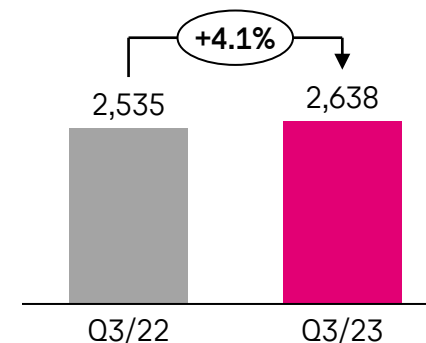
### Revenues (as reported)

€ mn



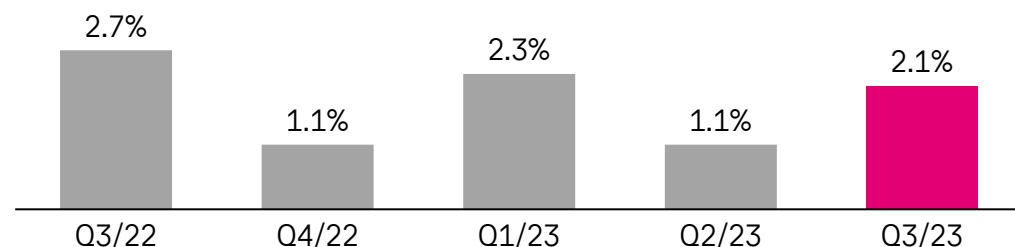
### Adj. EBITDA AL (as reported)

€ mn



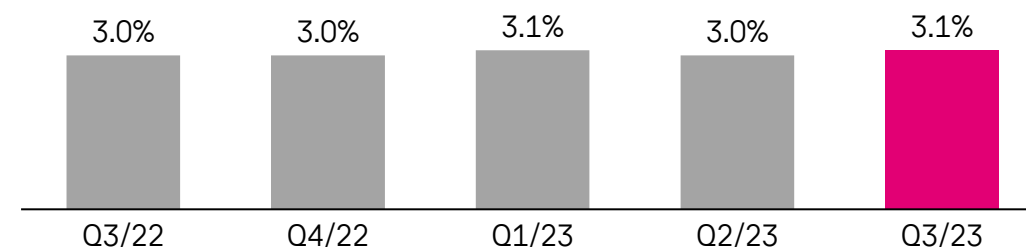
### Revenue growth (organic)

% yoy



### Adj. EBITDA AL (organic)

% yoy



As of Q1/23 the Multimedia Solutions unit (MMS) was transferred from the Systems Solutions segment to the Germany segment impacting revenue and EBITDA AL. In addition, the sale of the tower business impacted EBITDA AL. The organic trend is adjusted for these changes. Organic growth rates for 2022 were not re-stated and remain as previously disclosed.

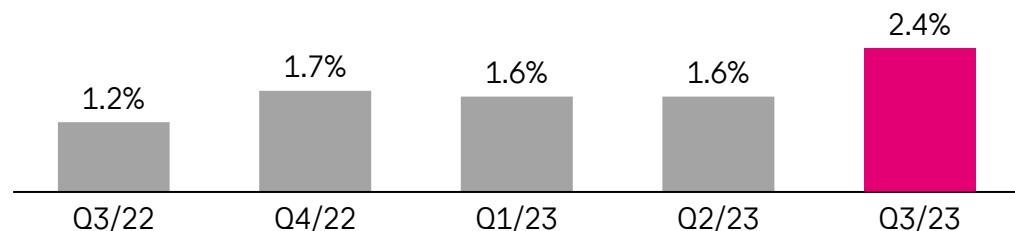
# Germany

## service revenues: growing across the board



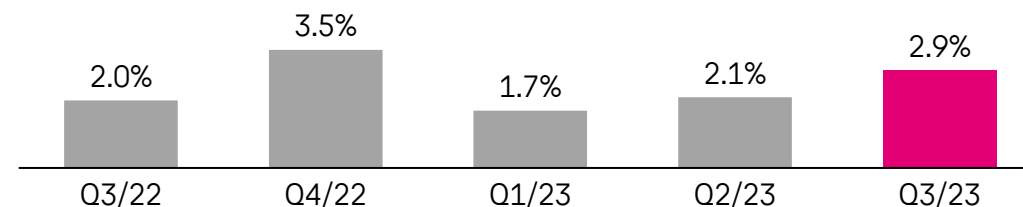
### Total service revenue growth (organic)<sup>1</sup>

% yoy



### Mobile service revenue growth (organic)

% yoy



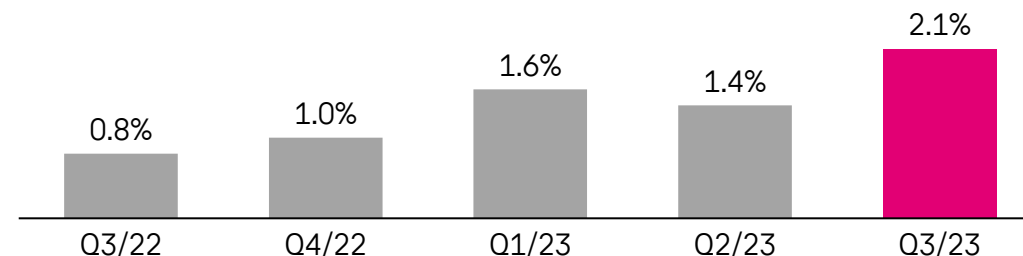
### Revenue growth (reported)

% yoy

- Reported Total Service revenue growth +3.1%
- Reported Fixed Service revenue growth +3.1%
- Reported Mobile Service revenue growth +2.9%

### Fixed service revenue growth (organic)<sup>1</sup>

% yoy



<sup>1</sup> As of Q1/23 the Multimedia Solutions unit (MMS) was transferred from the Systems Solutions segment to the Germany segment impacting revenue (Total and Fixed Service revenue). The organic trend is adjusted for these changes. Organic growth rates for 2022 were not re-stated and remain as previously disclosed.

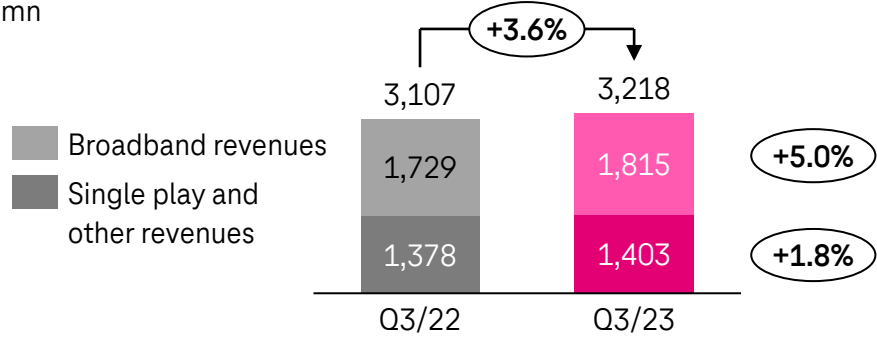
# Germany

## fixed revenues: strong broadband growth



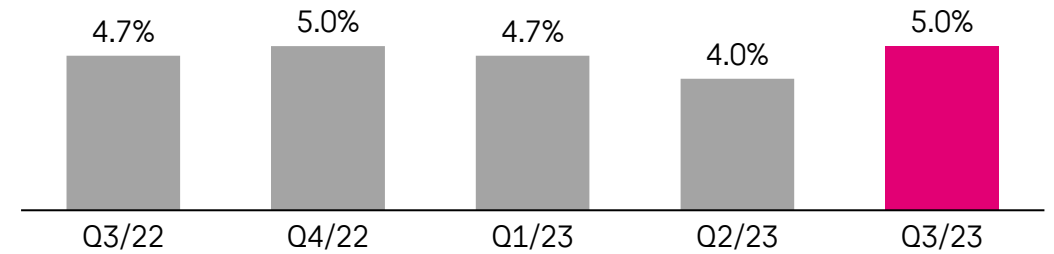
### Retail fixed revenues (as reported)<sup>1</sup>

€ mn



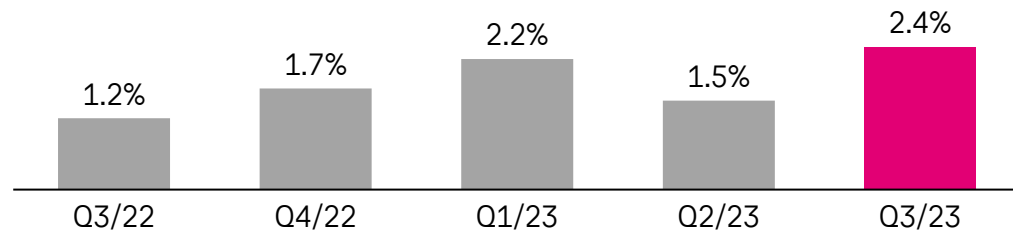
### Broadband revenue growth (organic)

% yoy



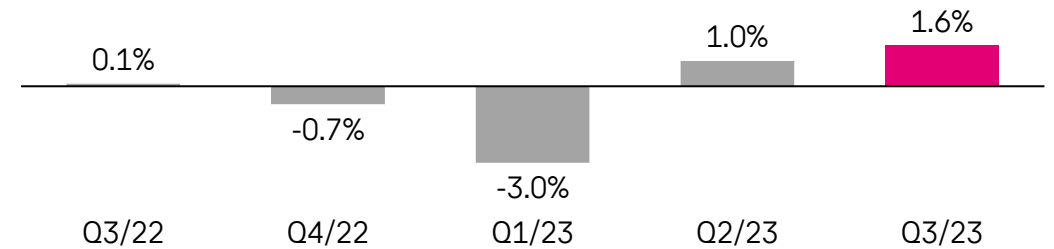
### Retail fixed revenue growth (organic)

% yoy



### Wholesale access revenues (organic)

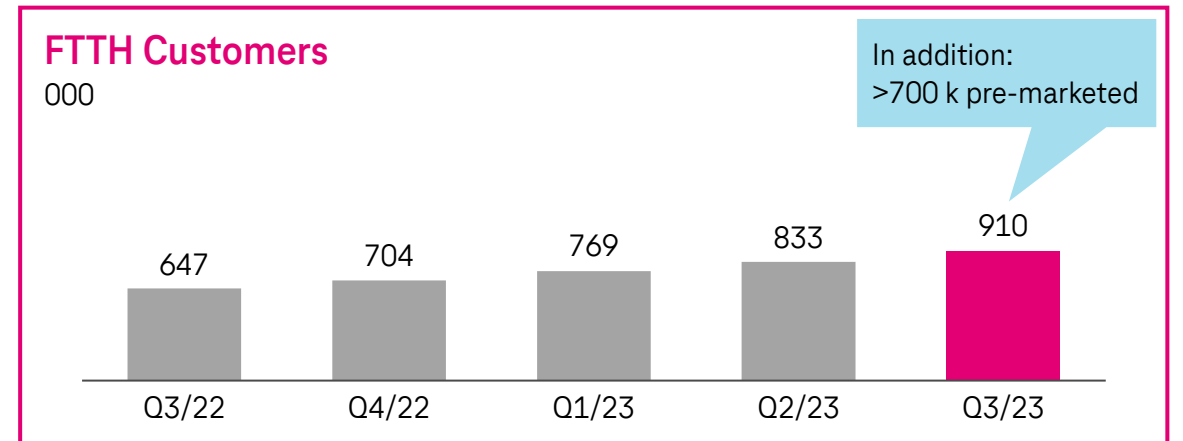
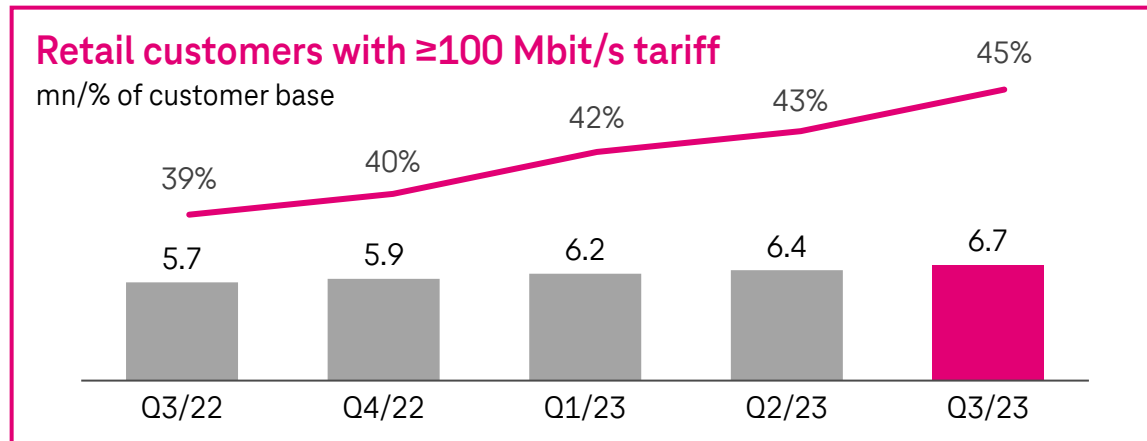
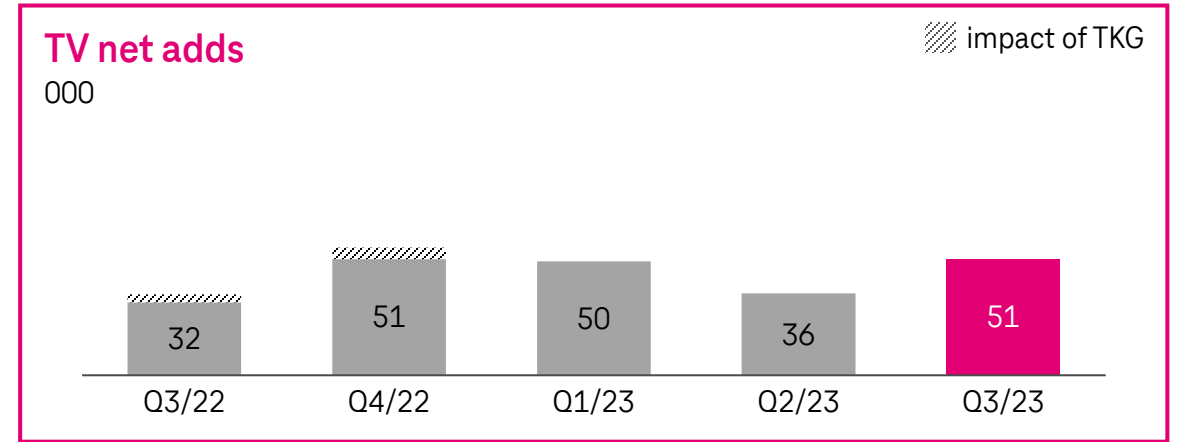
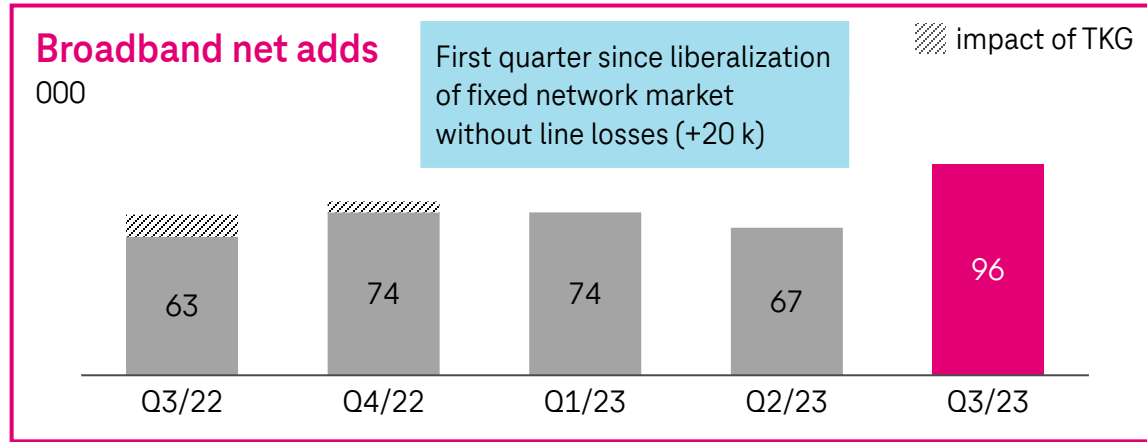
% growth yoy



<sup>1</sup> As of Q1/23 the Multimedia Solutions unit (MMS) was transferred from the Systems Solutions segment to the Germany segment impacting revenue (Retail Fixed revenue). The organic trend is adjusted for these changes. Organic growth rates for 2022 were not re-stated and remain as previously disclosed.

# Germany

## fixed KPIs: strong net adds despite price increases

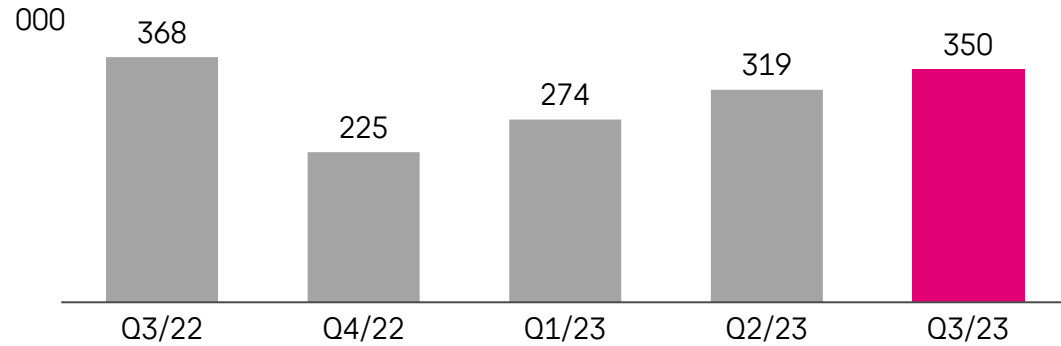


# Germany

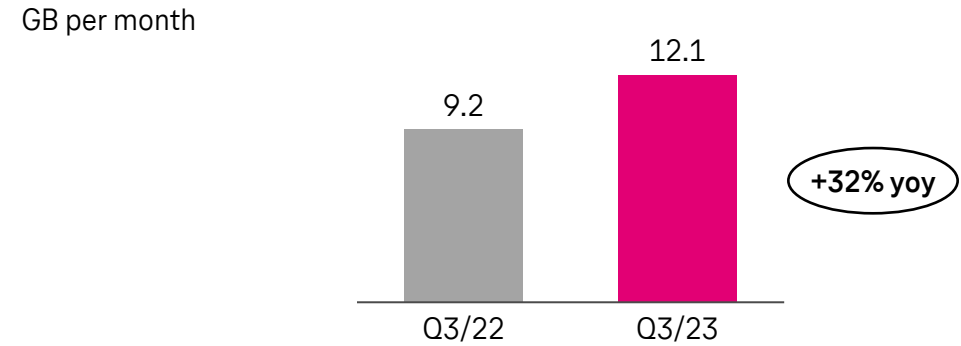
## mobile KPIs: strong customer intake continues



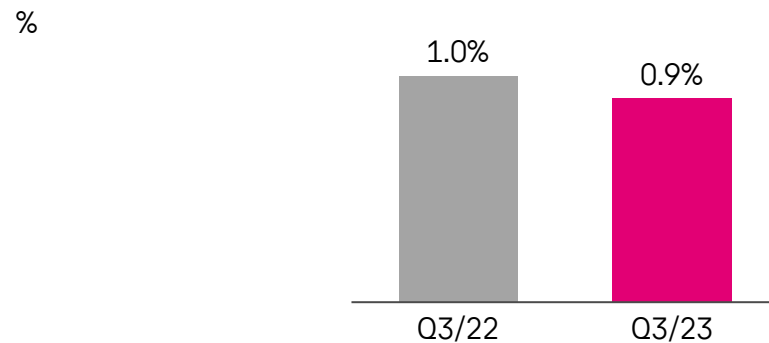
### Branded contract net adds<sup>1</sup>



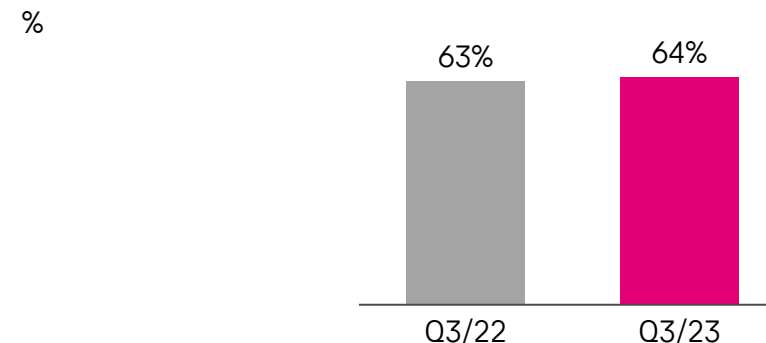
### Data usage<sup>2</sup>



### Churn<sup>2</sup>



### Magenta EINS share (mobile)<sup>3</sup>



<sup>1</sup> Own branded retail customers excl. multibrand, consumer IoT and "Schnellstarter"   <sup>2</sup> Of B2C T-branded contract customers   <sup>3</sup> Of B2C T-branded contract customers

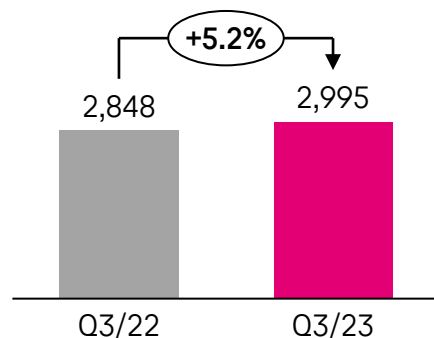
# Europe

## 23<sup>rd</sup> consecutive quarter of organic EBITDA growth



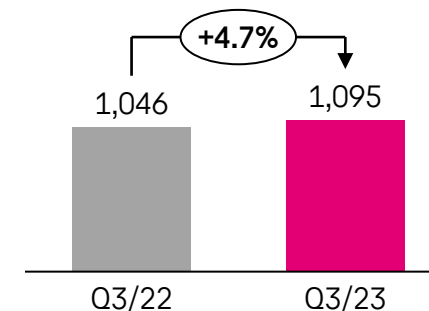
### Revenues (as reported)

€ mn



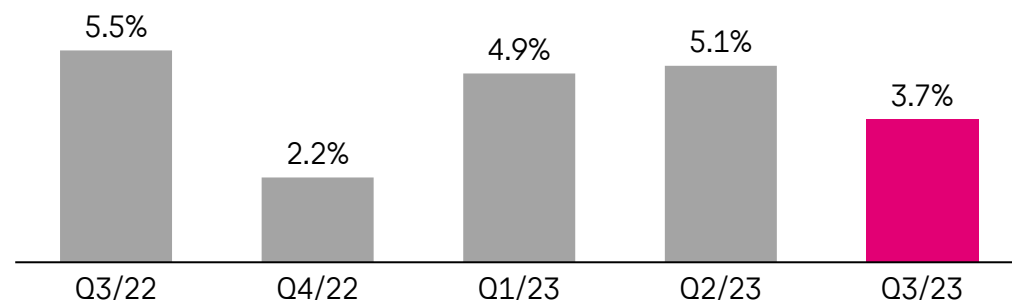
### Adj. EBITDA AL (as reported)

€ mn



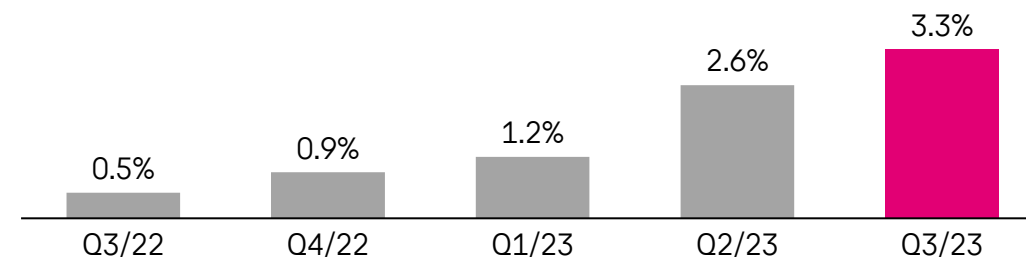
### Revenues (organic)

% growth yoy



### Adj. EBITDA AL (organic)

% growth yoy



As of Q3/22 the revenue recognition for certain customer transactions (principal agent) was changed. Growth rates for 2022 are presented on a re-stated basis.



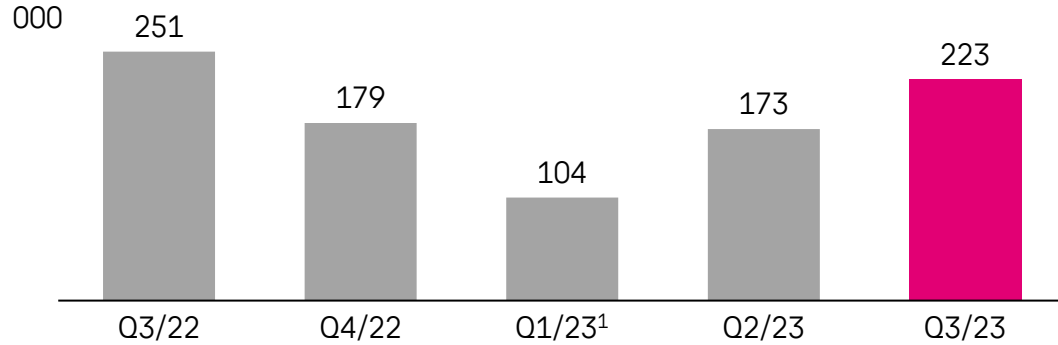
# Europe

## strong commercial performance

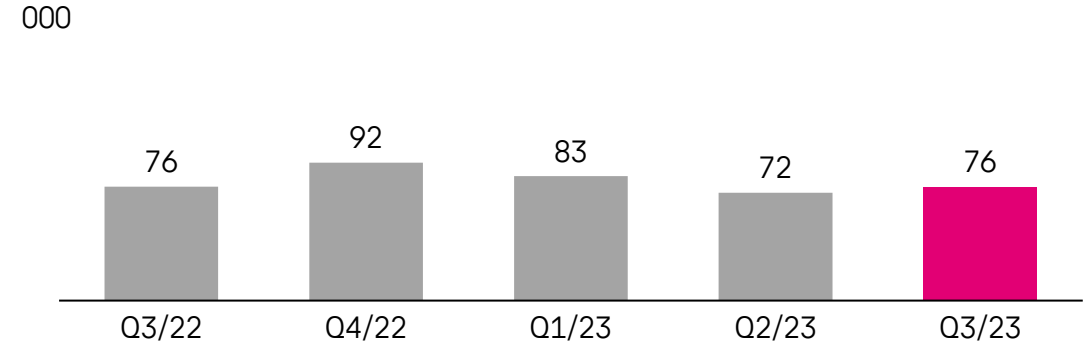
Number one in customer satisfaction (TRI\*M) in all markets (except RO)



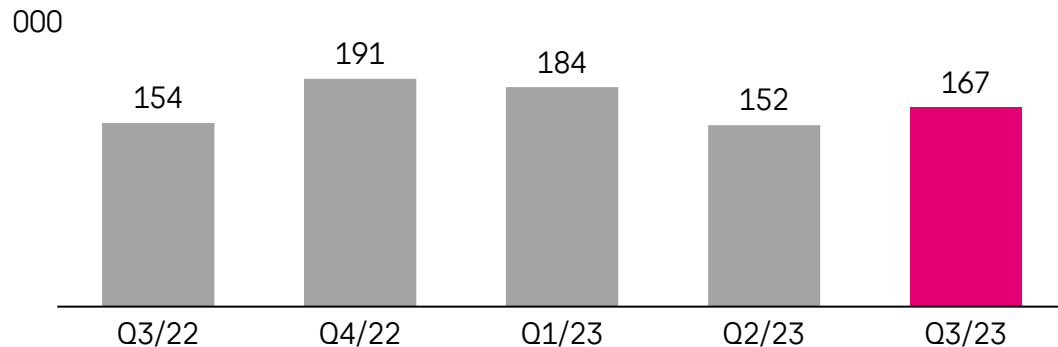
### Mobile contract net adds



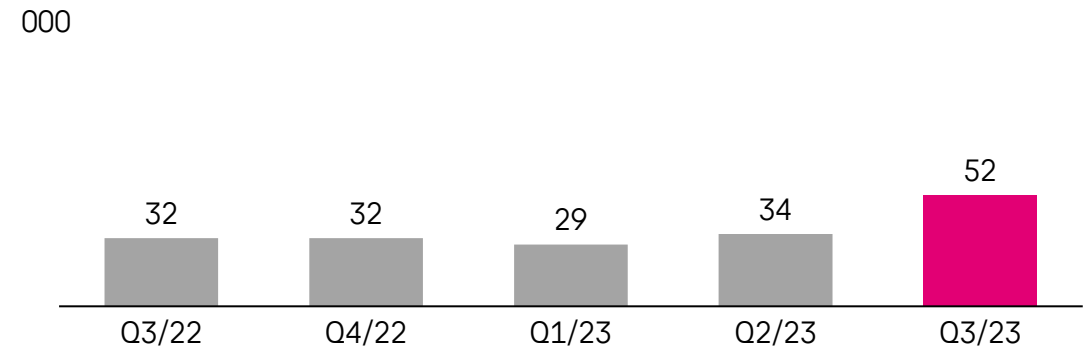
### Broadband net adds



### FMC net adds<sup>2</sup>



### TV net adds



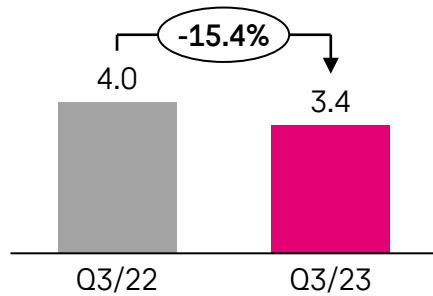
<sup>1</sup> Q1/23 Mobile contract net adds negatively impacted by 33 k re-classifications from contract to prepaid in Hungary. <sup>2</sup> Definition alignment in Q3/23. Historic figures have been re-stated.

# Systems Solutions

## on track for stated targets

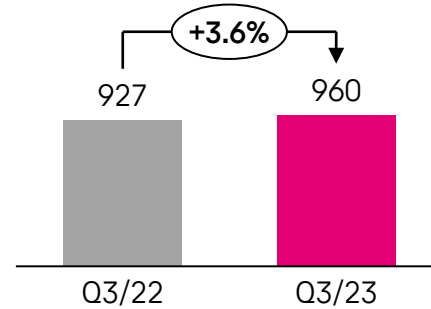
### Order entry (LTM)

€ bn



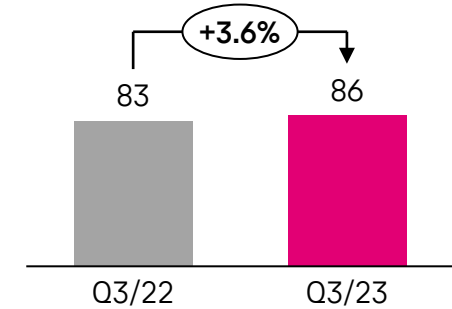
### Revenues (as reported)

€ mn



### Adj. EBITDA AL (as reported)

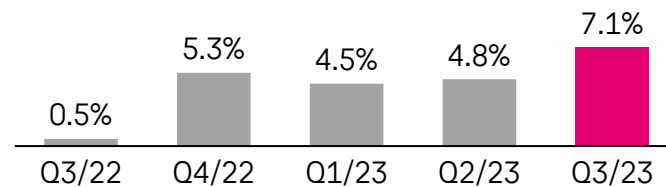
€ mn



- Order entry impacted by phasing
- Revenues driven by strong momentum in Digital Solutions, Cloud and Road charging overcompensating classic IT business run down

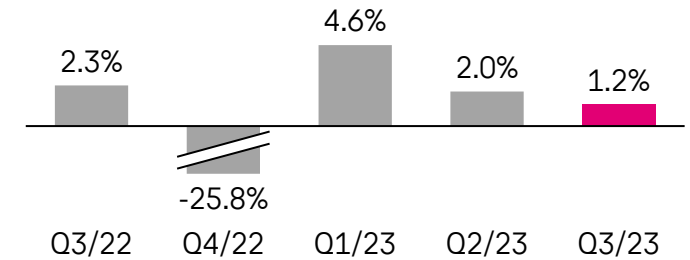
### Revenues (organic)

% growth yoy



### Adj. EBITDA AL (organic)

% growth yoy



As of Q3/22 the Security services were transferred from the Systems Solutions segment to the Germany segment and the revenue recognition for certain customer transactions (principal agent) was changed. Growth rates for 2022 are presented on a re-stated basis.

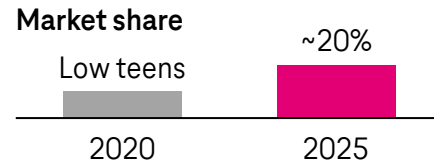
# DT has unique growth opportunities



## United states



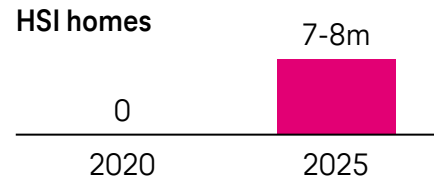
- Clear 5G leader
- Unique SRMA opportunity



SRMA ~40% of the US



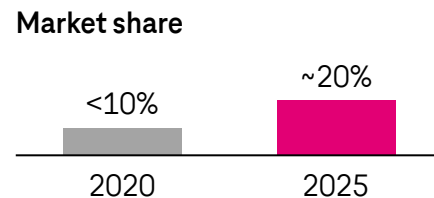
- Unique wireless high speed opportunity



1.5m subs in 6 quarters



- Unique B2B share opportunity

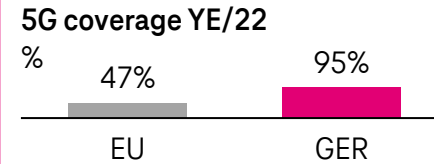


On track

## Europe

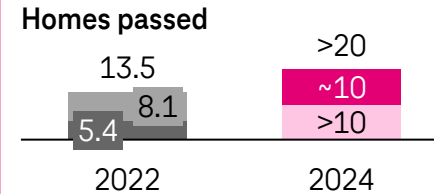


- Clear 5G leader



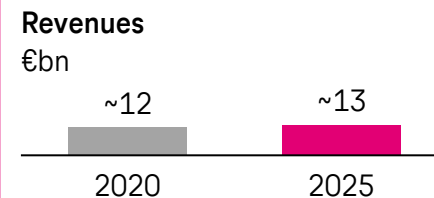
Growth with speed upsell

- Clear fiber leader



Growth with speed upsell

- Clear B2B leader



Growth with digitization

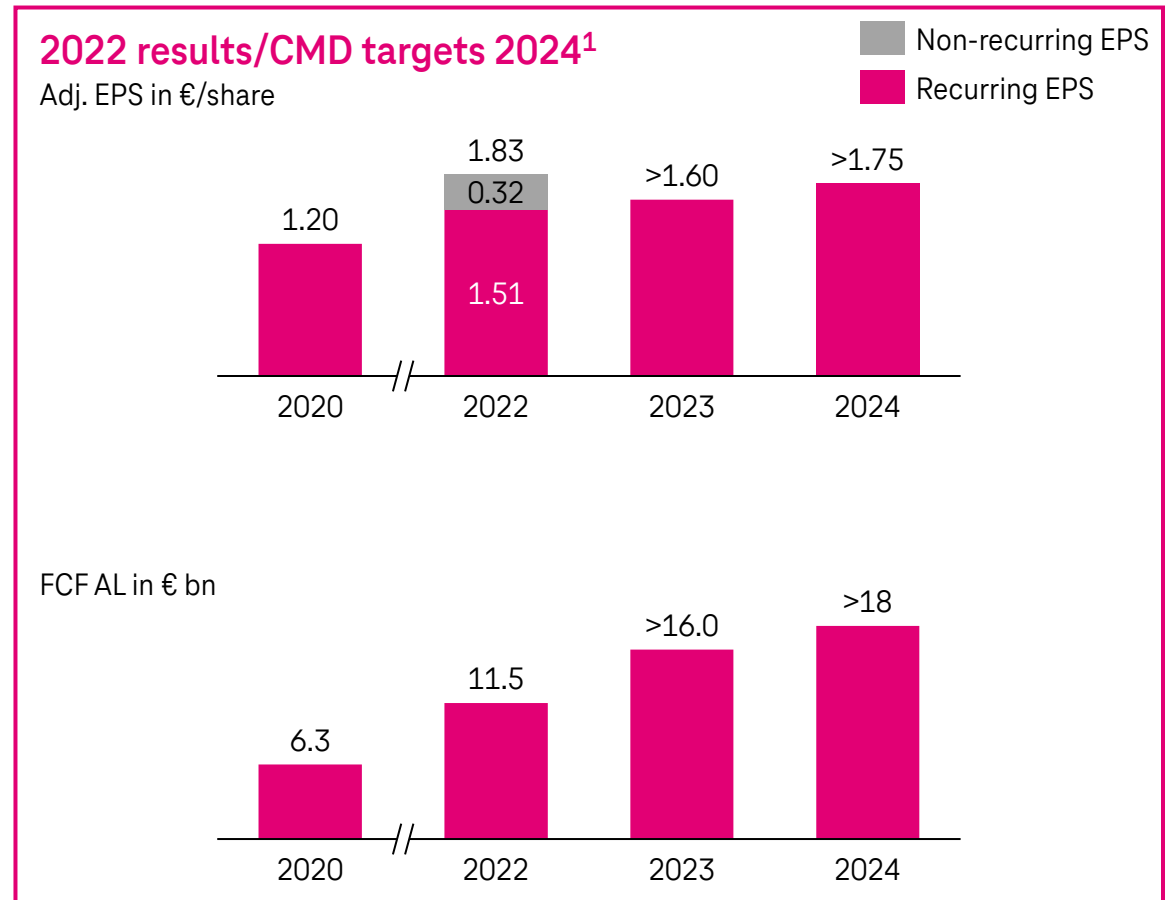
# 9M 2023 results

Main takeaways

# 9M 2023 Key messages

## delivering reliable and consistent growth

- Commercial performance continues unabated in all markets
- Germany on 28, EU on 23 successive quarters of organic EBITDA AL growth
- FY 2023 Guidance raised for the 3<sup>rd</sup> time
- Fiber roll-out on track for medium term targets
- Further executing on TM US buyback; DT stake 52.1% at end of September
- Ex lease leverage down to 2.40x. All 3 rating agencies at BBB+ with stable outlook
- Well on track for targets from 2021 CMD
- Attractive shareholder remuneration: DT BoM plans to propose dividend of €0.77 per DT share and announces share buyback program of up to €2 bn for 2024<sup>2</sup>



<sup>1</sup> 2024e guidance based on 1€ = 1.14 US\$, 2023e based on 1€ = 1.05 US\$. <sup>2</sup> subject to necessary board resolutions and AGM approval.

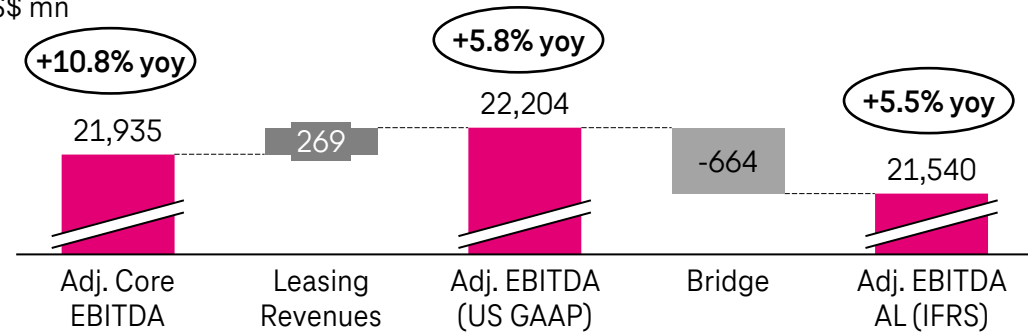
# Appendix

# TM US

## EBITDA reconciliation

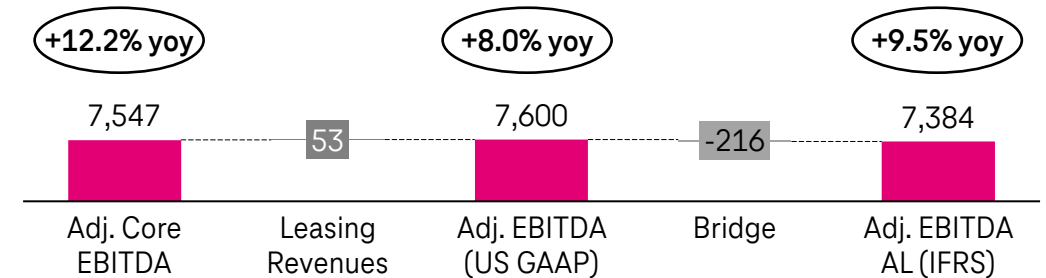
9M/23

US\$ mn



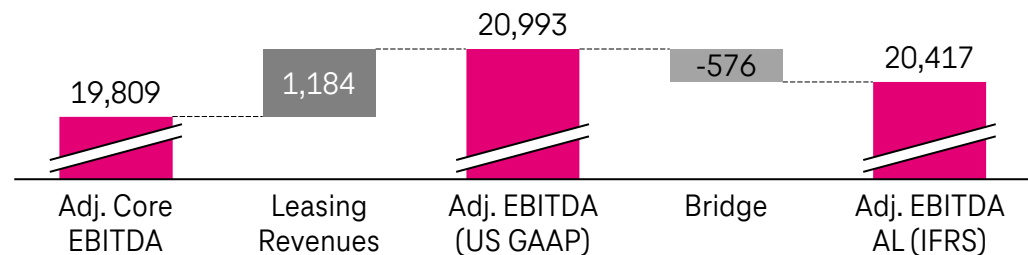
Q3/23

US\$ mn



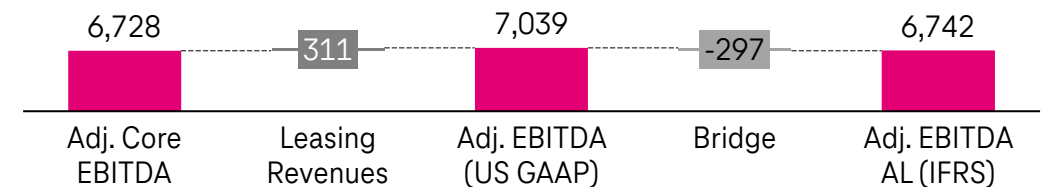
9M/22

US\$ mn



Q3/22

US\$ mn







# Balance sheet

## deleveraging as promised

€ bn

	30/09/2022	31/12/2022	31/03/2023	30/06/2023	30/09/2023
Balance sheet total	321.4	298.6	303.8	299.7	302.5
Shareholders' equity	94.5	87.3	98.7	94.4	96.6
Net debt excl. leases (AL)	109.5	103.7	93.0	97.2	96.9
Net debt excl. leases (AL)/adj. EBITDA AL <sup>1</sup>	2.79	2.58	2.31	2.40	2.40
Net debt incl. leases (IFRS 16)	151.7	142.4	133.5	136.9	137.1
Net debt incl. leases IFRS 16/adj. EBITDA <sup>1</sup>	3.34	3.07	2.87	2.94	2.94
Equity ratio	29.4%	29.2%	32.5%	31.5%	31.9%

### Comfort zone ratios

Rating: A-/BBB	
2.25 – 2.75 Net debt IFRS 16/Adj. EBITDA	
25 – 35% equity ratio	
Liquidity reserve covers redemptions of the next 24 months	

### Current rating

Fitch:	<b>BBB+</b>	stable outlook
Moody's:	<b>Baa1</b>	stable outlook
S&P:	<b>BBB+</b>	stable outlook

<sup>1</sup> Ratios for the interim quarters calculated on the basis of previous 4 quarters.



# Outlook 2022/23 as per annual report 2022 (1/2)<sup>1</sup>

€ bn

	2022 pro forma	2023e	2024e
<b>Revenue Group</b>	<b>113.7</b>	<b>Slight increase</b>	<b>Slight Increase</b>
Germany	24.7	Slight increase	Increase
US (in US\$)	79.3	Slight increase	Slight increase
Europe	11.2	Increase	Slight increase
Systems Solutions	3.7	Stable	Slight increase
<b>Service Revs Group</b>	<b>91.6</b>	<b>Increase</b>	<b>Increase</b>
Germany	21.7	Slight increase	Slight increase
US (in US\$)	61.2	Increase	Increase
Europe	9.3	Increase	Slight increase
Systems Solutions	3.6	Stable	Slight increase
<b>Adj. EBITDA AL Group</b>	<b>39.3</b>	<b>Around 40.8</b>	<b>Strong Increase</b>
Germany	9.9	10.2	Increase
US (in US\$)	27.0	28.4	Strong Increase
Europe	4.0	4.0	Increase
Systems Solutions	0.3	0.3	Increase

<sup>1</sup> See annual report 2022 for additional details

# Outlook 2022/23 as per annual report 2022 (2/2)<sup>1</sup>

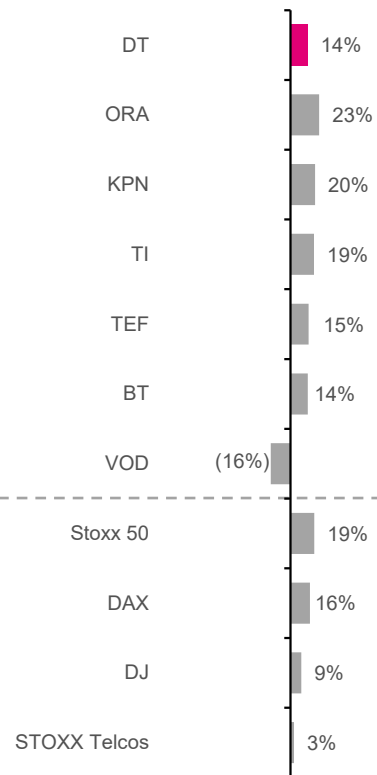
€ bn

	2022 pro forma	2023e	2024e
<b>Cash Capex Group</b>	<b>20.7</b>	<b>16.8</b>	<b>Stable</b>
Germany	4.4	Slight increase	Slight increase
US (in US\$)	14.0	Strong decrease	Stable
Europe	1.8	Stable	Stable
Systems Solutions	0.2	Stable	Stable
<b>FCF AL Group</b>	<b>11.2</b>	<b>&gt;16</b>	<b>Strong increase</b>
<b>Adj. EPS</b>	<b>1.83</b>	<b>&gt;1.60</b>	<b>Strong increase</b>
<b>Net debt/adj. EBITDA</b>	<b>3.07x</b>	<b>&gt;2.75x</b>	<b>~2.75x</b>

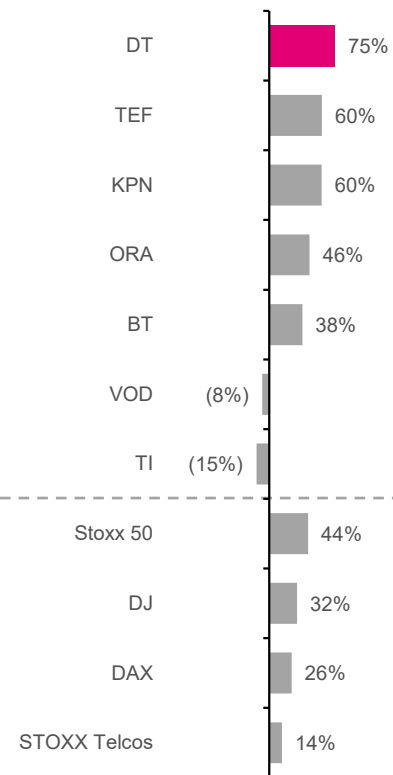
<sup>1</sup> See annual report 2022 for additional details. Adj. EPS and Net debt/adj. EBITDA as reported

# Longer term TSR comparisons

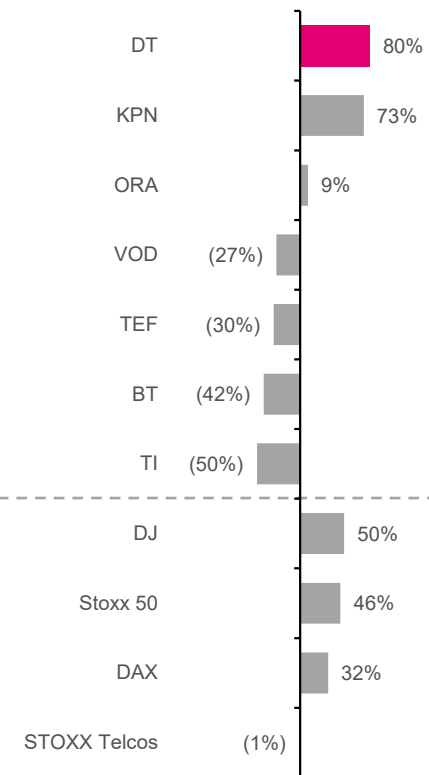
## 1 Year Performance



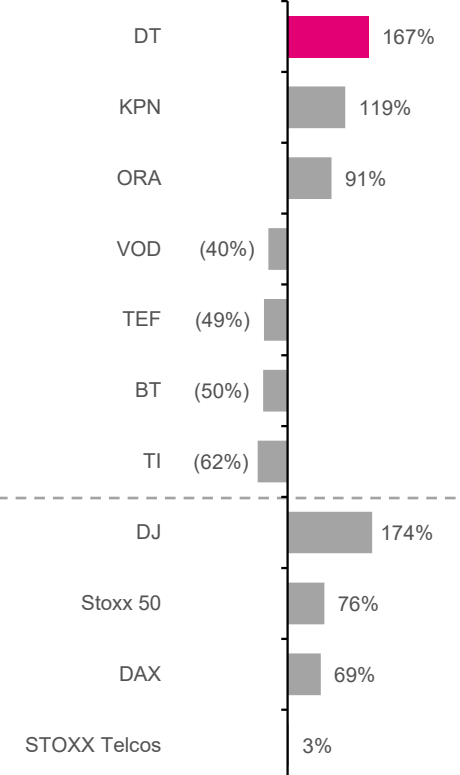
## 3 Year Performance



## 5 Year Performance



## 10 Year Performance



Source: FactSet. Data as per 3 November 2023.

# Investor + Analyst Webcast with Q&A session

The conference call will be held on **November 9 at 14:00 CET**, 13:00 GMT, 08:00 EST, 05:00 PST, 22:00 JST  
**DT Participants: Tim Höttges (CEO), Christian Illek (CFO), Hannes Wittig (Head of IR)**



- Live webcast
- Instant replay
- Available on all devices

- Detailed time stamps in video description for slides + Q&A:

Presentation	
👉	Tim Höttges (CEO): Group results + guidance
0:01:11	Welcome
0:01:22	Overview (p#4)
0:03:34	Financials reported: strong growth (p#5)
0:04:30	Financials organic: strong growth (p#6)



<https://dtag.webex.com/dtag/j.php?MTID=mf10c8ea307fa04267abc156b7294dae6>

Password: Q3RESULTS

To ask a question, click the “lift hand” function. If you would like to cancel your question, click it again.



DE +49 69 791 2290, UK +44 203 630 1290,  
US +1 331 214 7999  
Meeting-ID: 2788 812 2779

To ask a question, press “star 3”. If you would like to cancel your question, press “star 3” again.

# Further questions

please contact the IR department

## Investor Relations Contact details

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Phone +49 228 181 – 8 88 80

E-Mail [investor.relations@telekom.de](mailto:investor.relations@telekom.de)

Contact details for all  
IR representatives:



[www.telekom.com/ircontacts](http://www.telekom.com/ircontacts)

## IR Webpage

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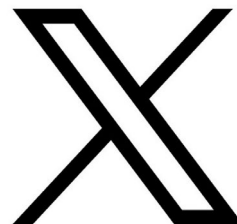
[www.telekom.com/investors](http://www.telekom.com/investors)



## IR Twitter Account

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[www.twitter.com/DT\\_IR](https://www.twitter.com/DT_IR)



## IR YouTube Channel

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[youtube.com/@dt\\_ir](https://youtube.com/@dt_ir)

