

**Deutsche Telekom
Investor presentation
May 2024**



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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.

Q1 2024 results

Group

Q1/24

consistent reliable growth

Q1/2024 Highlights

- Organic Growth: Group service revenues up 4.1%, Group adj. core EBITDA AL up 6.9%, all segments contributing. FCF AL up 3.6%, adj. EPS up 15.4%¹
- US/GER/EU: Strong customer momentum continues
- GER with 30th, EU with 25th consecutive quarter of organic EBITDA AL growth
- Improved outlook for TM US reflected in guidance
- TM US creates Fiber JV with EQT targeting 3.5mn homes by 2028
- Ka'ena transaction in the US closed in May
- TM US launches auction for its 800MHz spectrum
- TM US receives 2.5 GHz spectrum from auction 108



¹FCF AL and adj. EPS growth rate as reported.

Financials Q1/24 organic

strong organic growth

Q1/24 Adj. EBITDA AL

growth yoy, organic

Adj. Core EBITDA AL
growth of 7.9%¹

TMUS



6.1%
+€401 mn

GER



3.0%
+€75 mn

EU



8.1%
+€81 mn

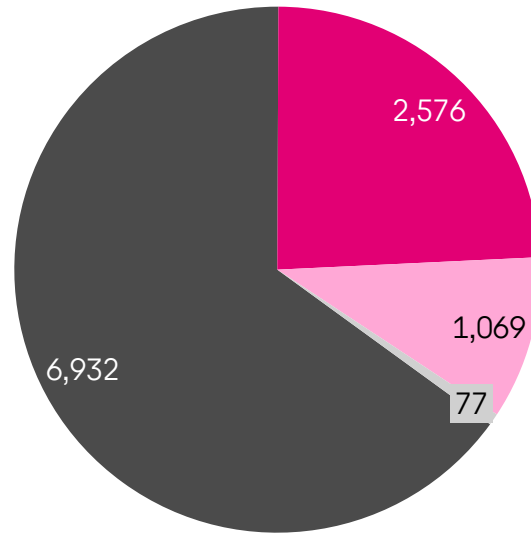
SYS



1.5%
+€1 mn

Q1/24 Adj. EBITDA AL by segment²

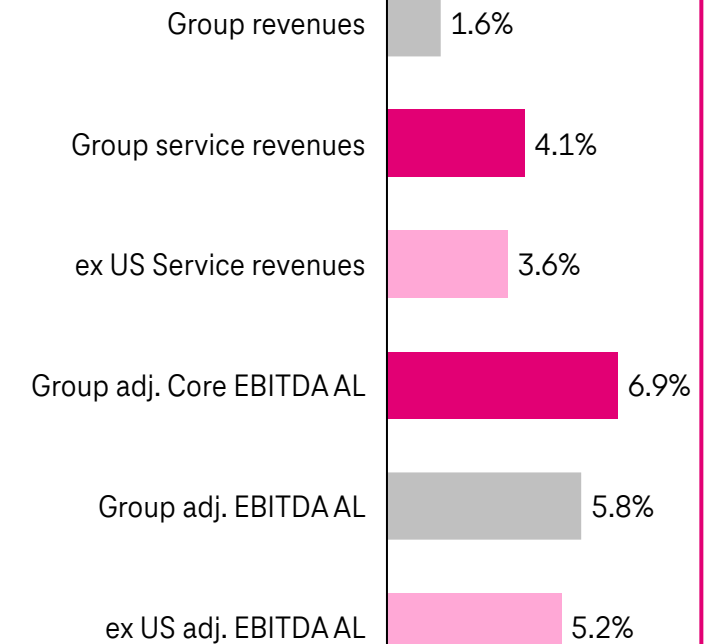
€ mn



TMUS GER EU SYS

Q1/24 Key Financials

% growth yoy, organic



¹ according to IFRS. US GAAP growth is 8.0%. Adj. Core EBITDA excludes decreasing handset leasing revenues (US\$ -0.1 bn yoy). ² Excl. GHS & GD (-175 mn €). Group EBITDA AL €10,473 mn.

In this presentation the Group in Q1/2023 is presented in accordance with the management view: certain key performance indicators like revenue and adj. EBITDA AL are presented as if GD Towers still would be fully consolidated.

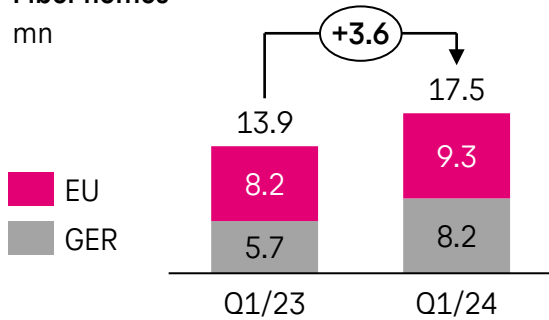
This view is different to the consolidated financial statements of DT where Group Development is treated as a discontinued operation. For more details, please refer to the back-up to this presentation, respectively the annual report of DT both available at www.telekom.com/en/investor-relations.

Networks

leading with 5G, FTTH on track

FTTH (1 Gbps)

Fiber homes
mn



GER

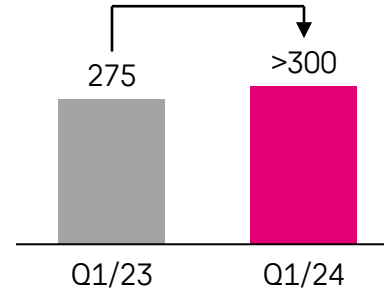
- Fiber: On track for >10mn HHs by YE.
- German fixed network: Magenta TV selected by “Connect” readers as No. 1 IPTV service

EU

- On track for 10 mn HHs with 1 Gbps by 2024. Coverage now at 36% of HHs

5G TM US

Ultra capacity 5G¹
mn POPs



Network Leader

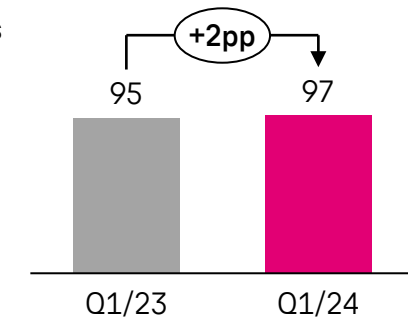
- Ookla report finds T-Mobile’s median download speeds are 2x faster than AT&T’s and Verizon’s.

5G

- Expansive breadth and depth of deployment: Nearly 95% of 5G network traffic on mid-band spectrum

5G ex US

Germany
% of POPs



GER

- Telekom wins Chip magazine German mobile network test for the 14th time in a row.

EU

- Ongoing roll-out of 5G coverage: 68% POP coverage end of Q1/24. Up 17 pp since Q1/23

¹ Ultra capacity on mid band spectrum.

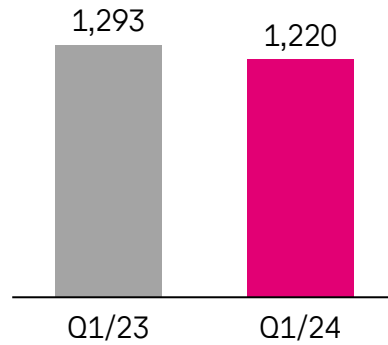
Customers

growing strongly

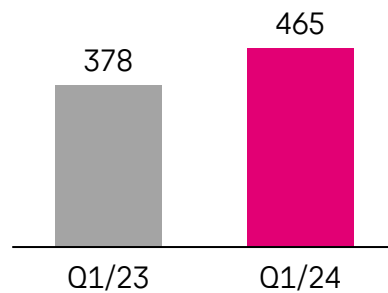
Mobile net adds

000

US (postpaid)



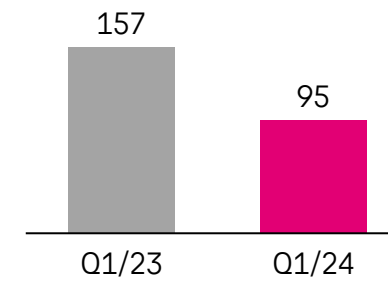
Ex US (contract)¹



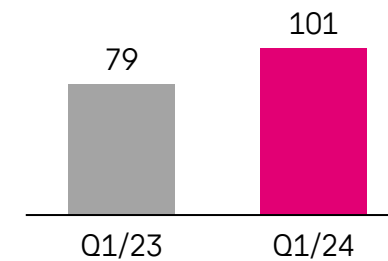
Fixed line net adds²

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Broadband



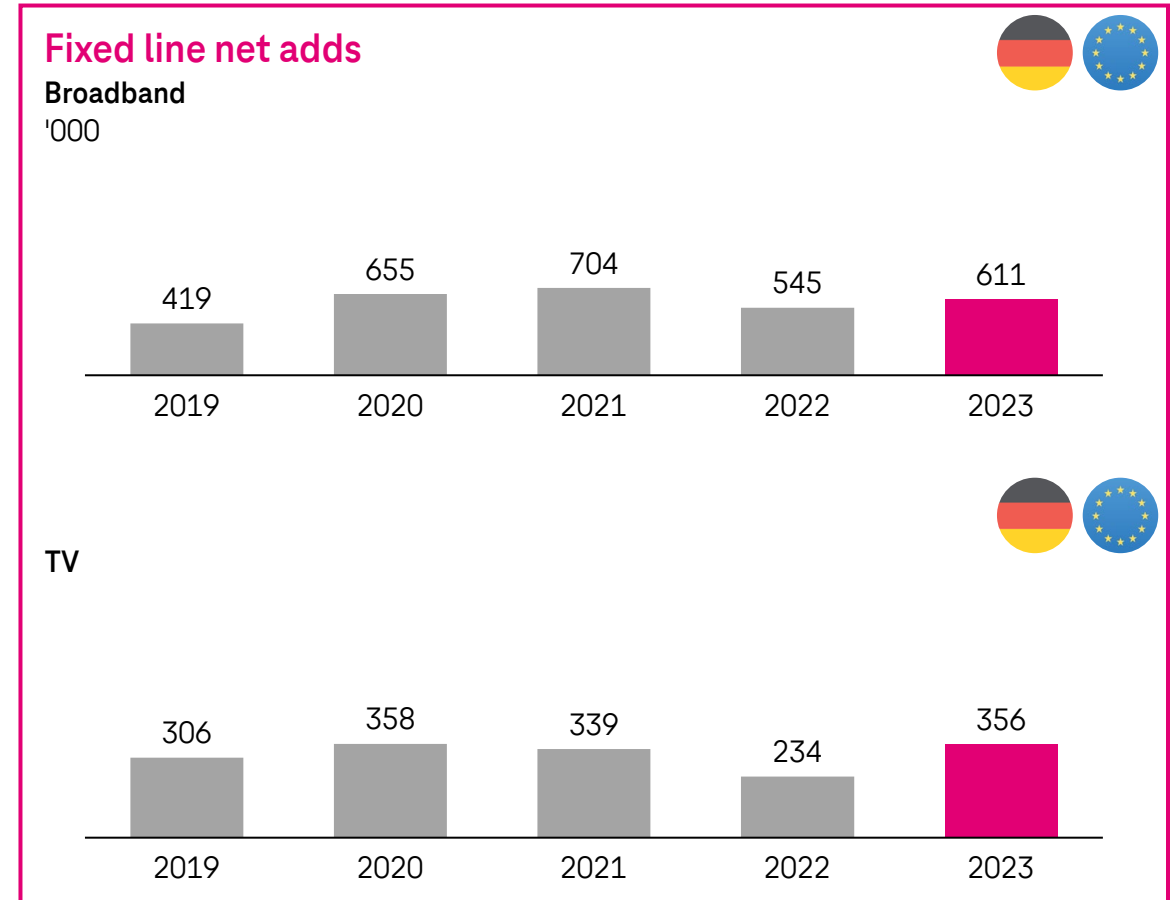
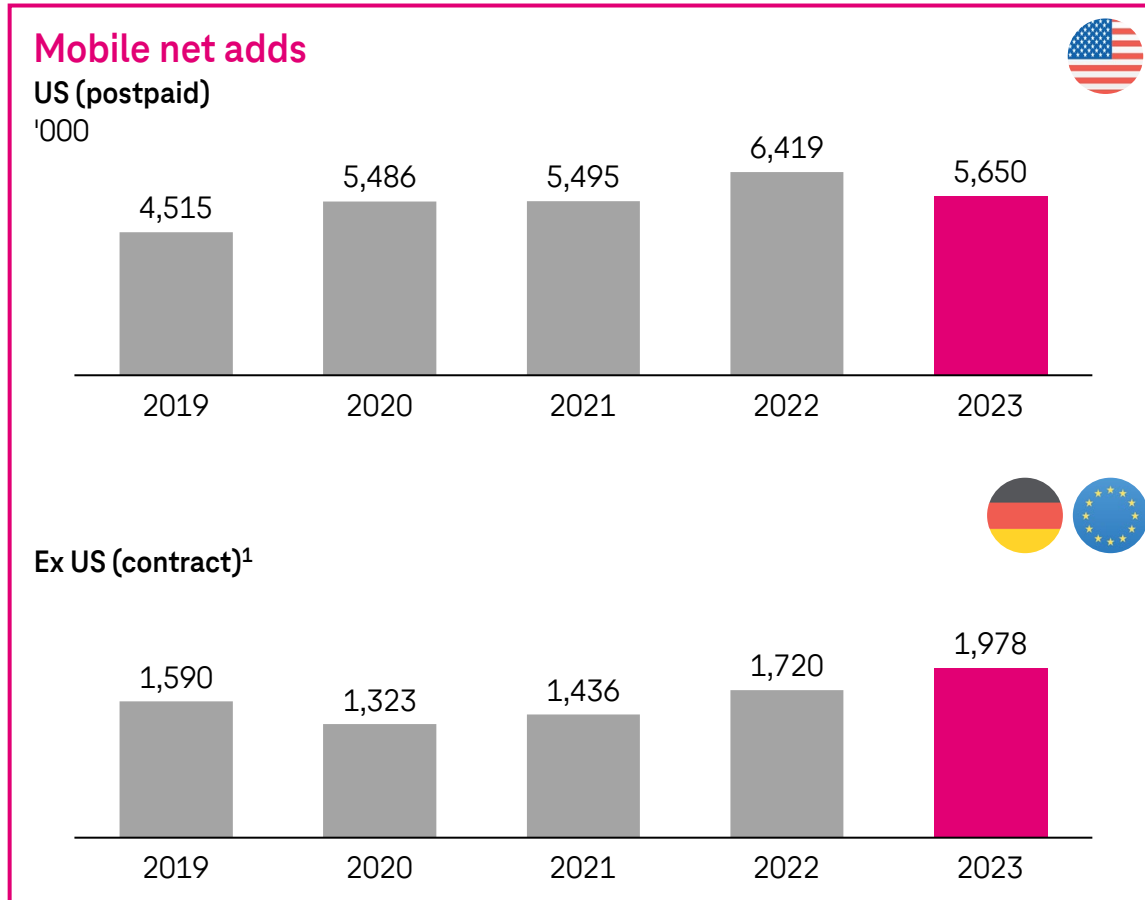
TV



¹ GER + EU. GER: own brand only ² GER + EU

Customers

strong growth throughout the years



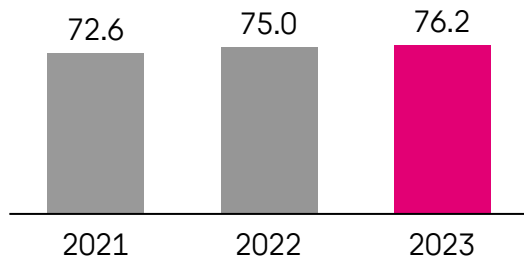
¹GER + EU. GER: Since 2021 Own branded retail customers excl. multibrand, consumer IoT and "Schnellstarter".

Society and Environment

strong ESG performance; energy consumption reduced again

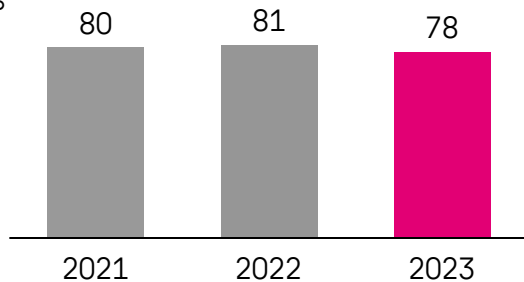
Societal agenda

Customer satisfaction¹
Tri*M



Employee satisfaction²

%



Environment

- **NEW** We published our initial transition plan with the new CR report as well as PAIs and GSMA indicators for Telcos
- Climate targets validated by STBi³
- **NEW** DT is first telco in the world to use large-scale battery storage systems for renewable energies.
- **NEW** Group energy consumption -3% yoy in Q1/24 and CO₂ emissions (Scope 1&2) -2%

Society

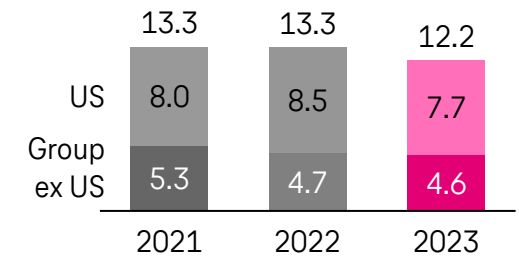
- **NEW** New spot (“lights on”) of our often awarded #against hate speech campaign

Governance

- S&P Global ESG – Best European telco

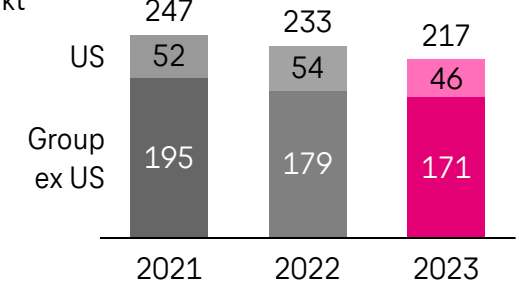
Environmental agenda

Energy consumption
mn MWh



CO₂e emissions (scope 1+2)

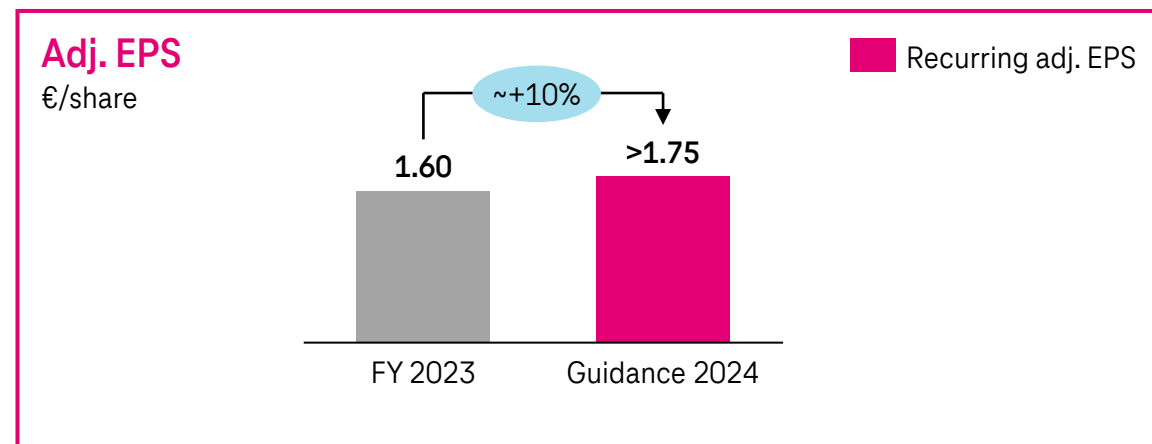
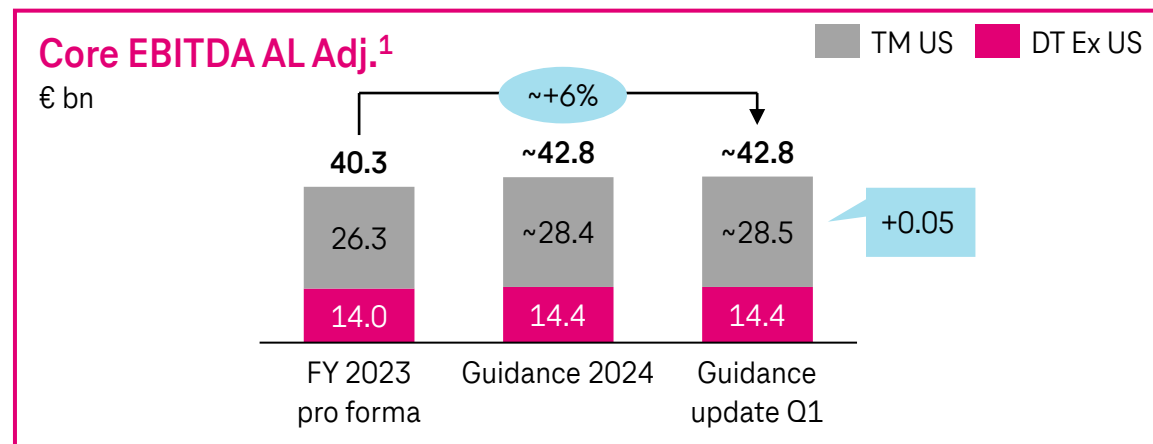
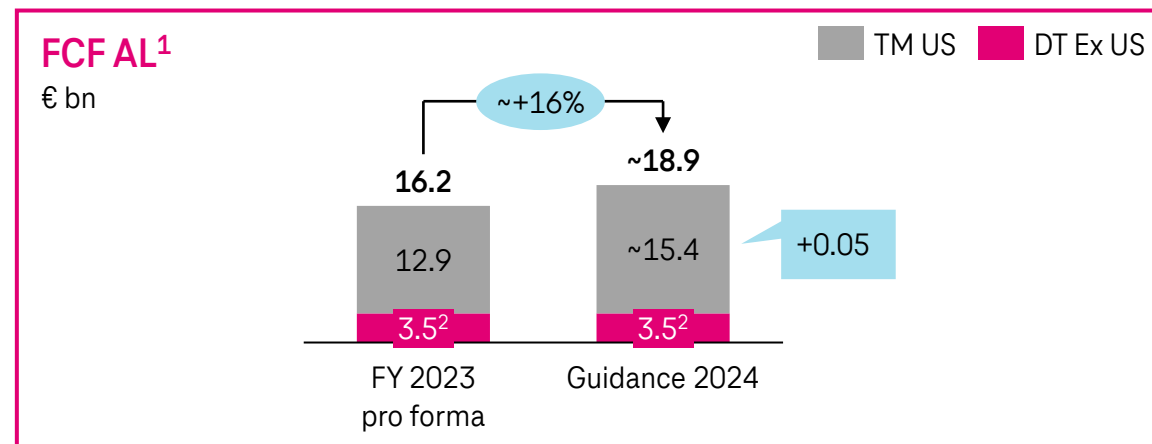
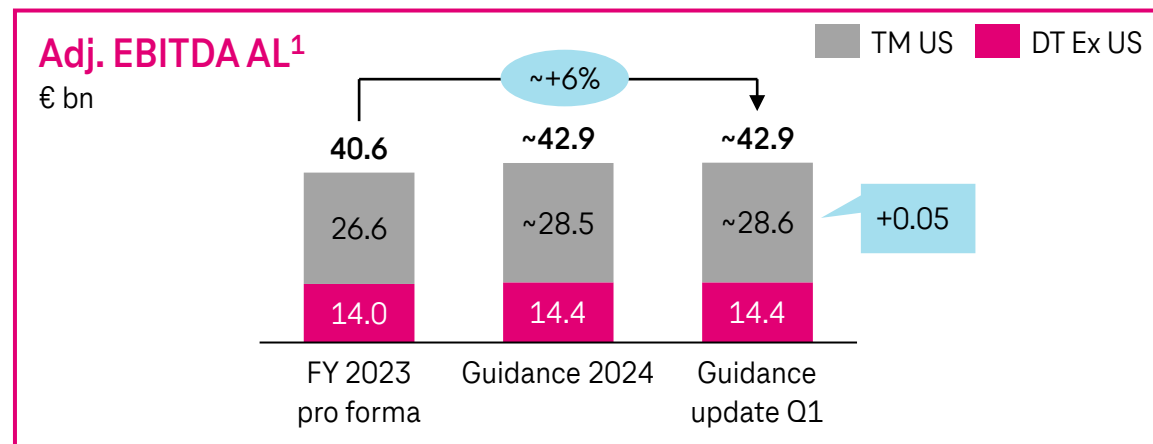
kt



¹ ex US. ² ex US. Positive answer on employee/pulse survey question: “How do you feel at our company” ³ SBTi=Science Based targets initiative

Guidance 2024

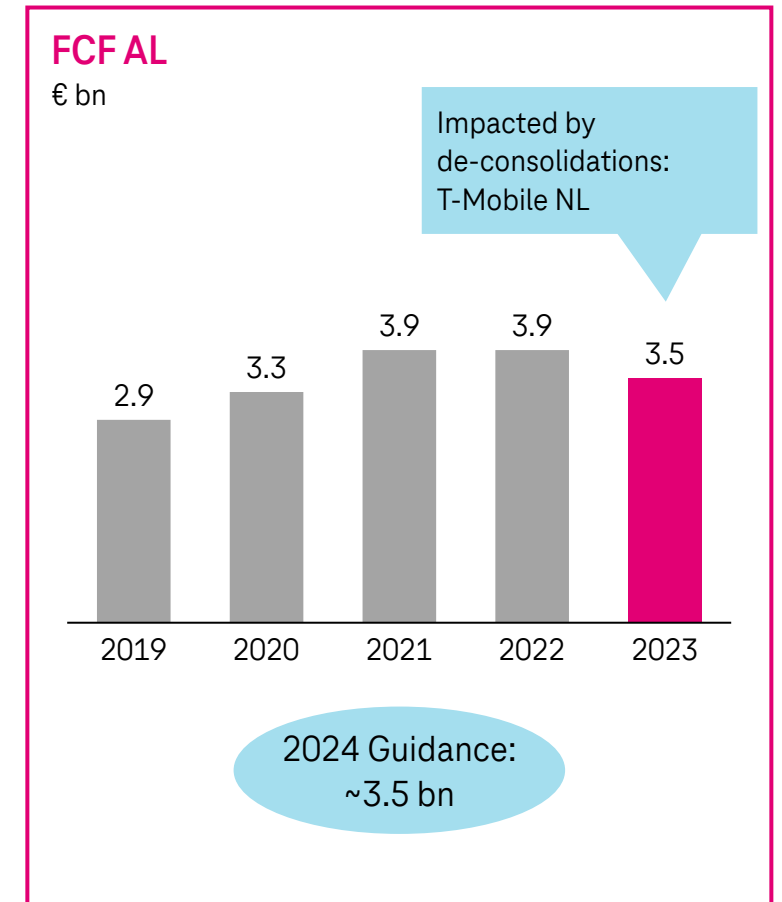
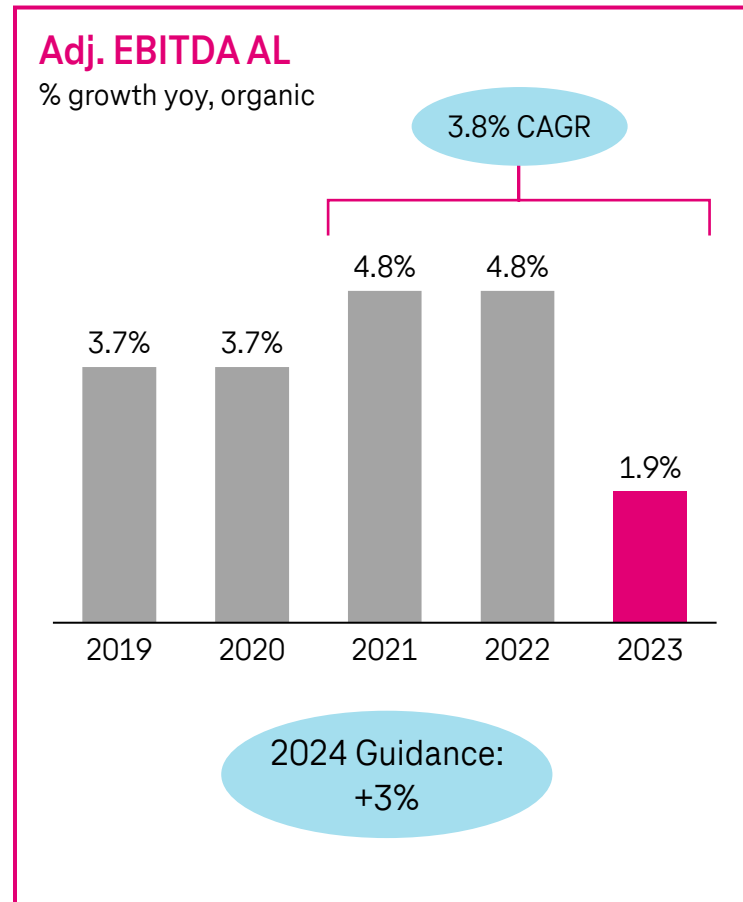
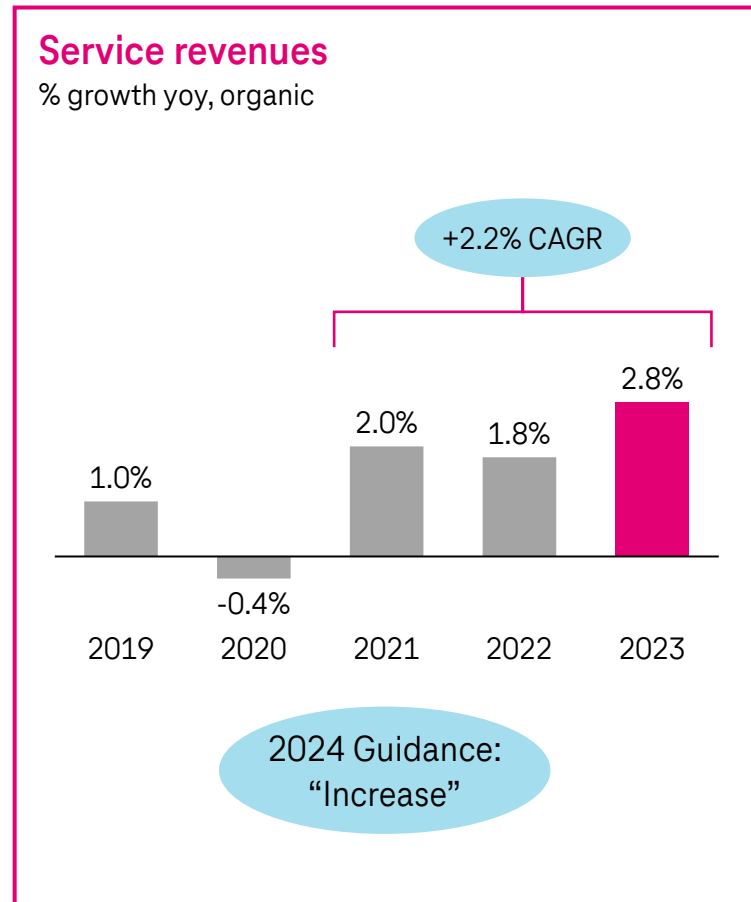
adj. EBITDA and Core EBITDA outlook raised for T-Mobile US



¹ TM US guidance is based on midpoint of US GAAP guidance of US\$31.5 – 32.0 bn adj. EBITDA; of US\$31.4 – 31.9 bn Core adj. EBITDA and of US\$16.4 – 16.9 bn FCF. FCF AL TM US guidance remains unchanged due to rounding. Guidance assumes a negative bridge of US\$-0.9 bn on adj. EBITDA and Core adj. EBITDA upon translation into IFRS. Based on 1€ = US\$1.08. ² 2024 guidance includes €0.2 bn of cash returns related to tower transaction. 2023 pro forma includes 0.1bn cash returns related to tower transaction. Both exclude TM US dividend receipts.

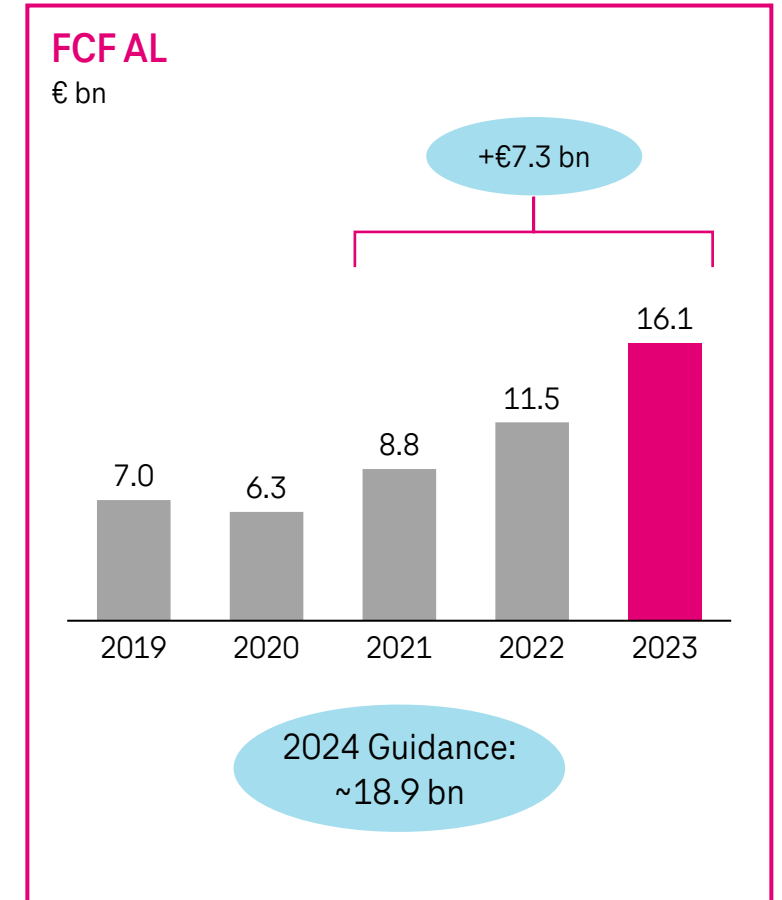
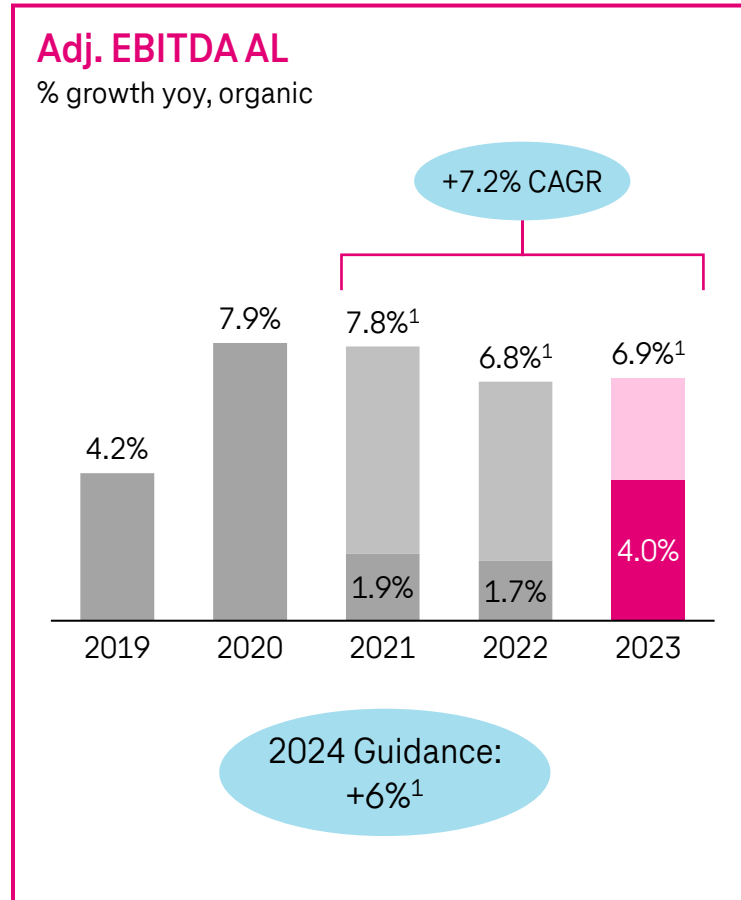
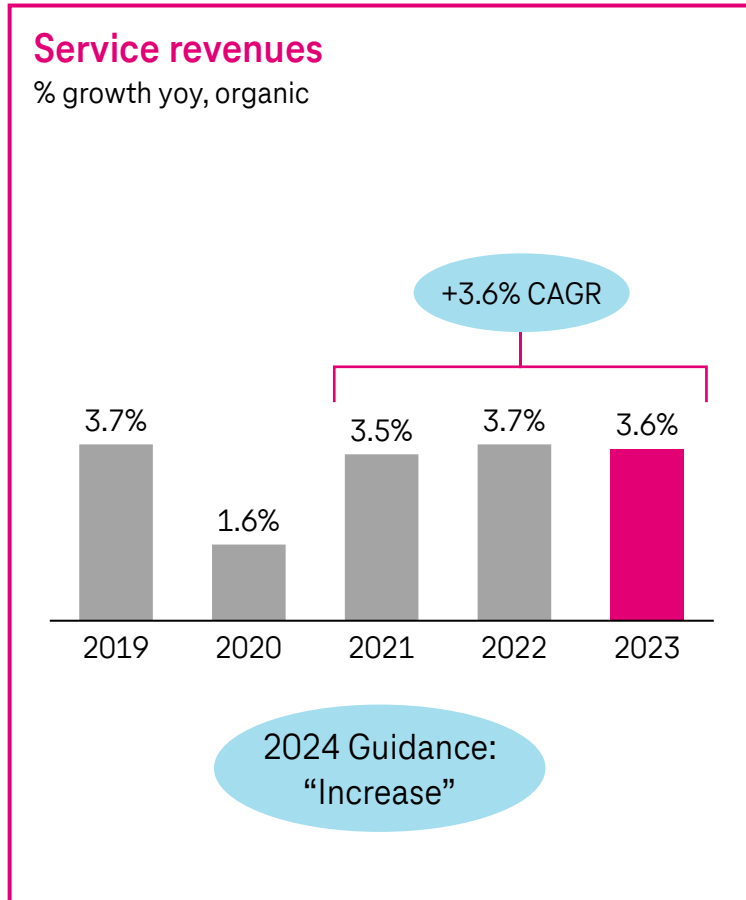
Ex US Financials 2019 – 2023

multi-year growth in key financials



Group Financials 2019 – 2023

multi-year growth in key financials



¹adj. Core EBITDA

DT has unique growth opportunities

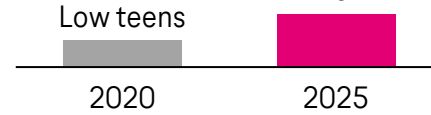


United states



- Clear 5G leader
- Unique SRMA*

Market share



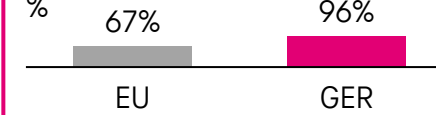
SRMA ~40% of the US

Europe



- Clear 5G leader

5G coverage YE/22



Growth with speed upsell



- Unique wireless high speed opportunity

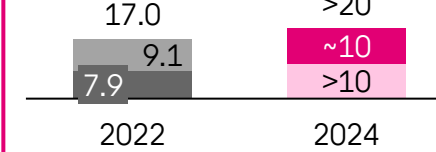
HSI homes



4.8m homes YE23

- Clear fiber leader

Homes passed

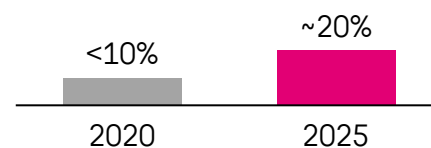


Growth with speed upsell



- Unique B2B share opportunity

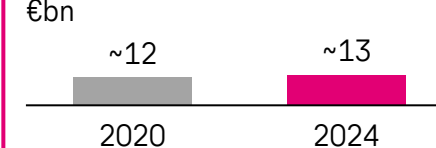
Market share



On track

- Clear B2B leader

Revenues



Growth with digitization

* Small markets and rural areas

Q1 2024 results

Review of segments and
financials

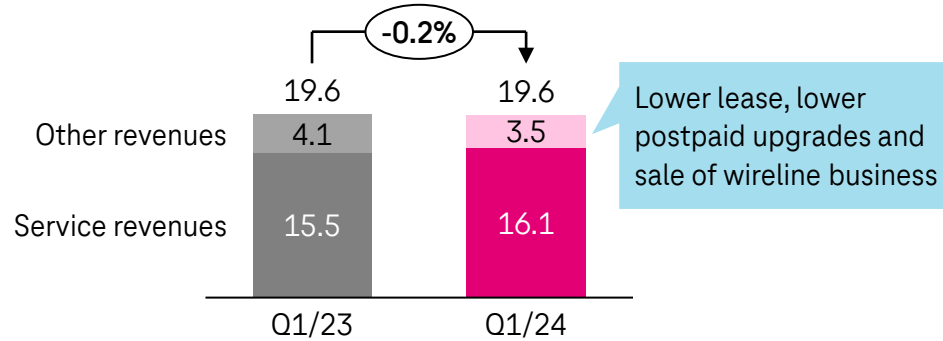
T-Mobile US

strong financial growth



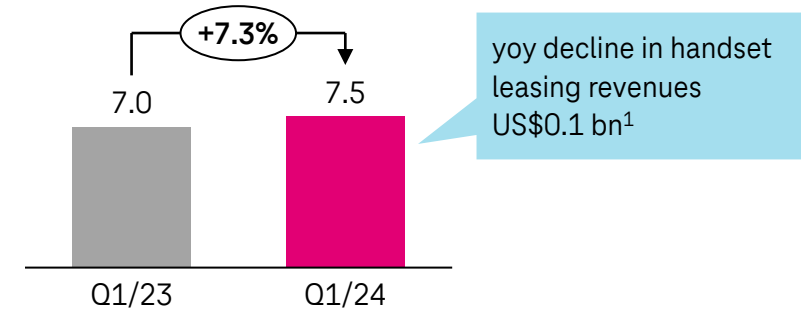
Revenues (IFRS)

US\$ bn



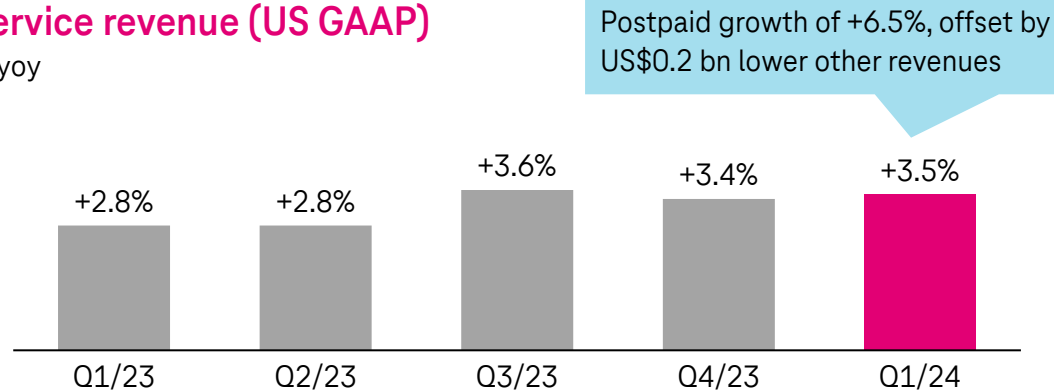
Adj. EBITDA AL (IFRS)²

US\$ bn



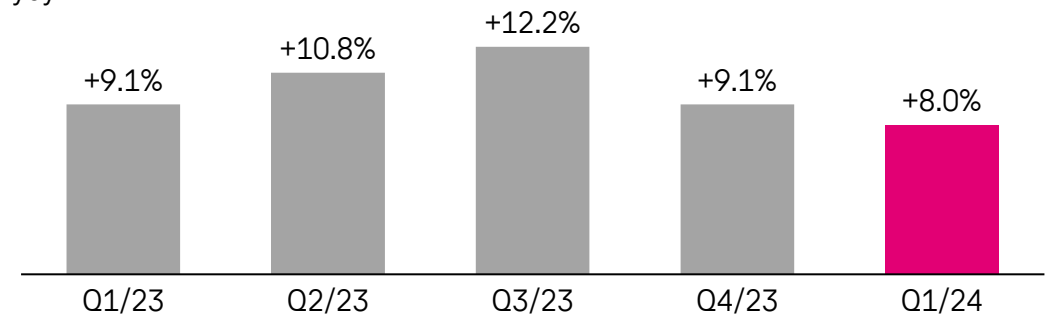
Service revenue (US GAAP)

% yoy



Core adj. EBITDA (US GAAP)

% yoy

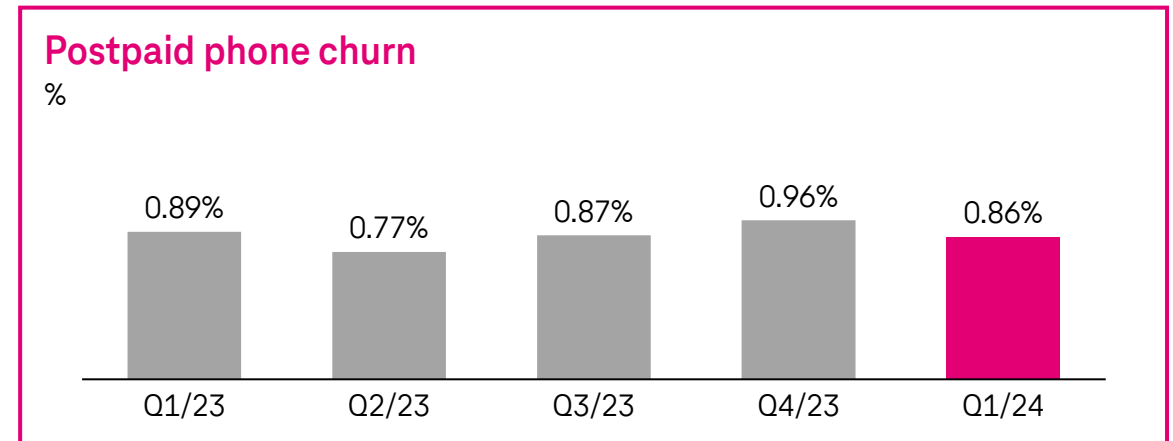
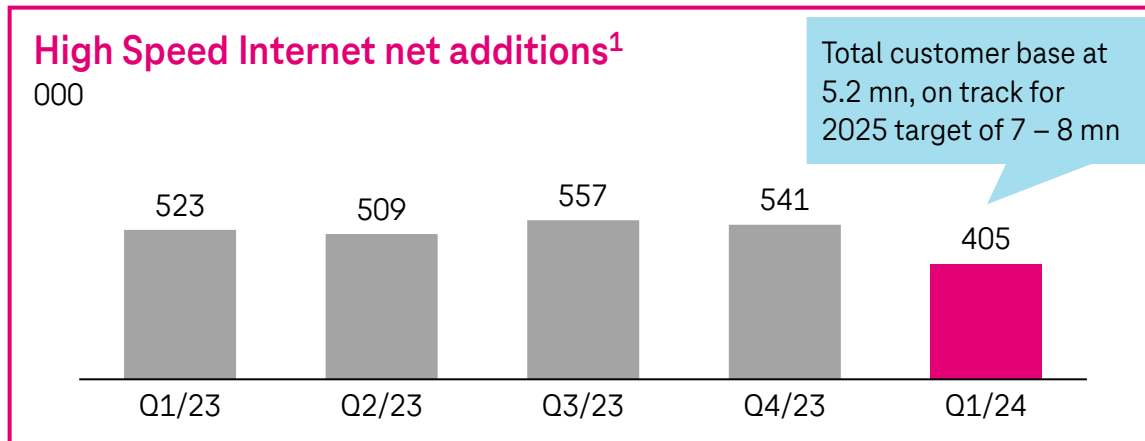
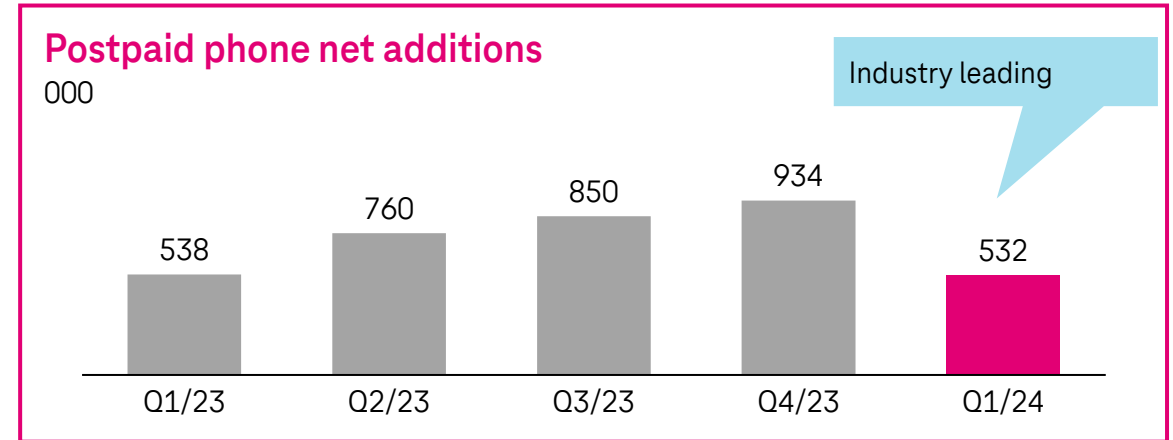
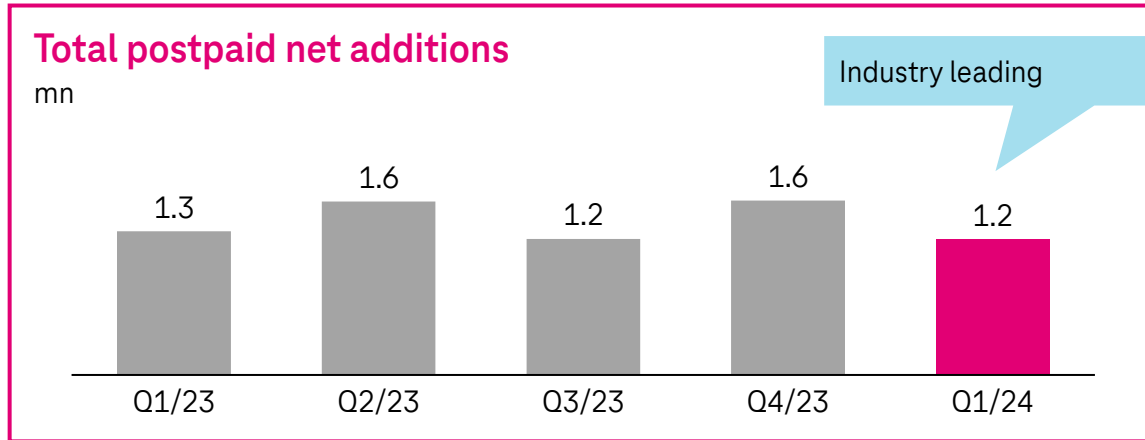


¹ Due to alignment of Sprint customers to the TMUS device financing model post merger, which results in a decrease of handset leasing revenues and a corresponding decline in revenue and EBITDA AL. Service revenues are not impacted.

² For IFRS bridge please refer to appendix.

T-Mobile US

consistent customer growth



¹ Postpaid + Prepaid

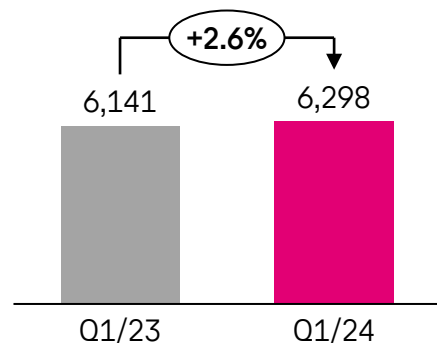
Germany

30th consecutive quarter of EBITDA growth



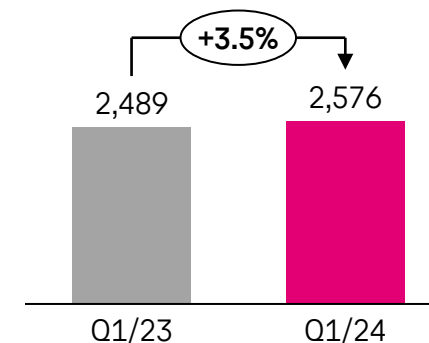
Revenues (reported)

€ mn



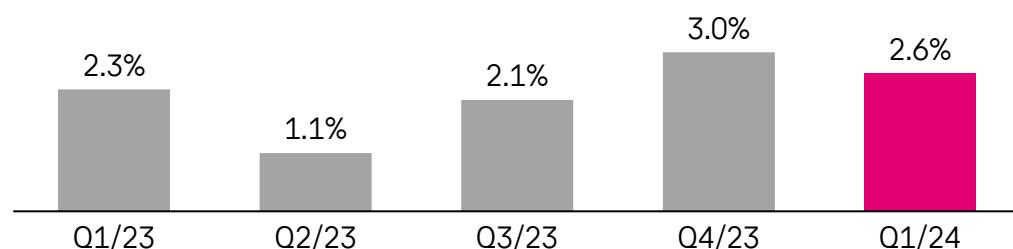
Adj. EBITDA AL (reported)

€ mn



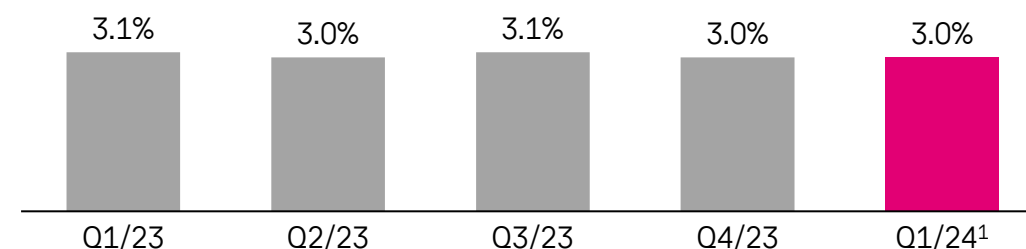
Revenue growth (organic)

% yoy



Adj. EBITDA AL (organic)

% yoy



¹ Organic growth rate in Q1/24 assumes that the tower transaction did close on Jan 1st 2023, whereas the close actually happened on Feb 1st. So, the reported EBITDA AL growth rate benefitted from 1 month of higher leasing opex in Q1/23.

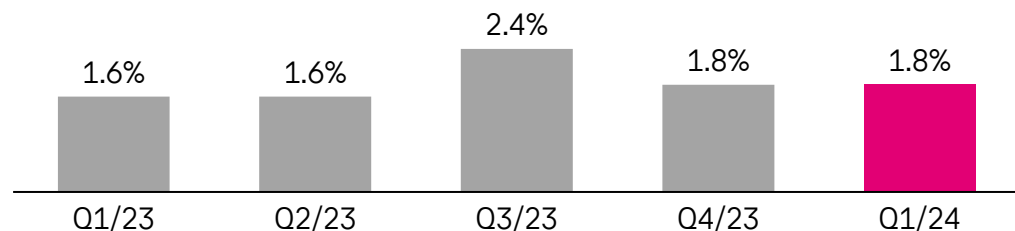
Germany

service revenues: growing across the board



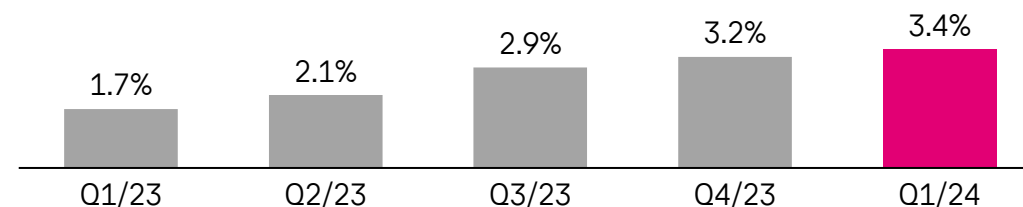
Total service revenue growth (organic)

% yoy



Mobile service revenue growth (organic)

% yoy



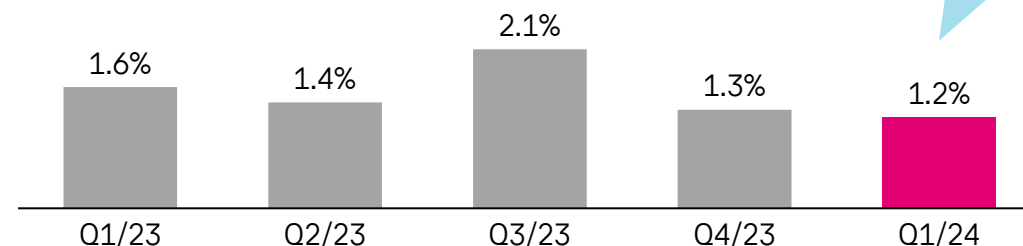
Revenue growth (reported)

% yoy

- Reported Total Service revenue growth +1.8%
- Reported Fixed Service revenue growth +1.2%
- Reported Mobile Service revenue growth +3.4%

Fixed service revenue growth (organic)

% yoy



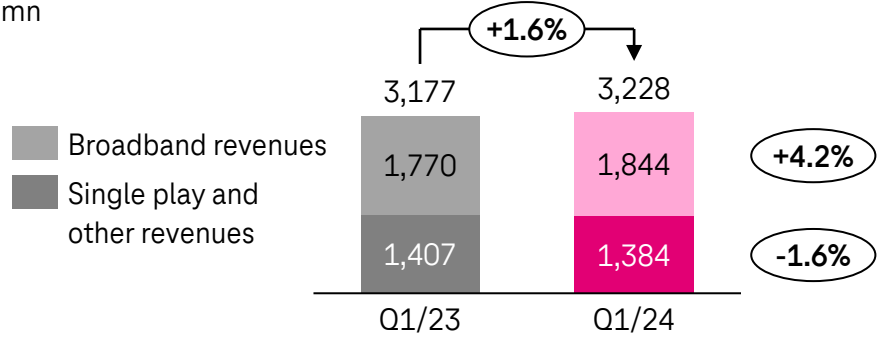
Germany

fixed revenues: steady development



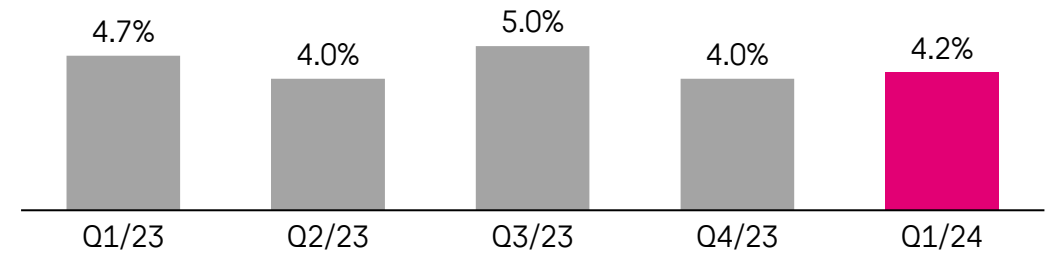
Retail fixed revenues (reported)

€ mn



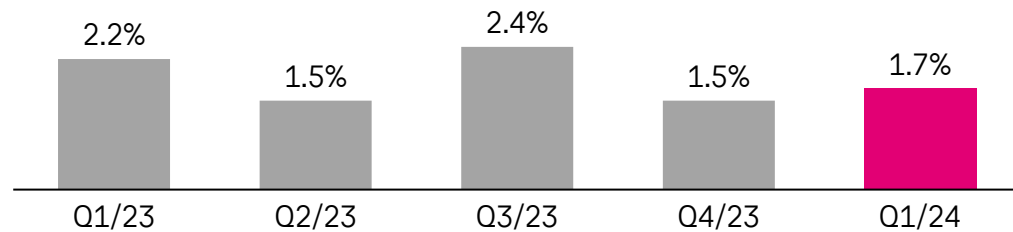
Broadband revenue growth (organic)

% yoy



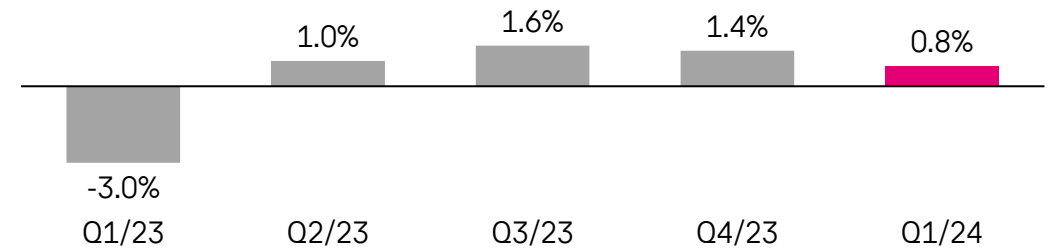
Retail fixed revenue growth (organic)

% yoy



Wholesale access revenues (organic)

% yoy



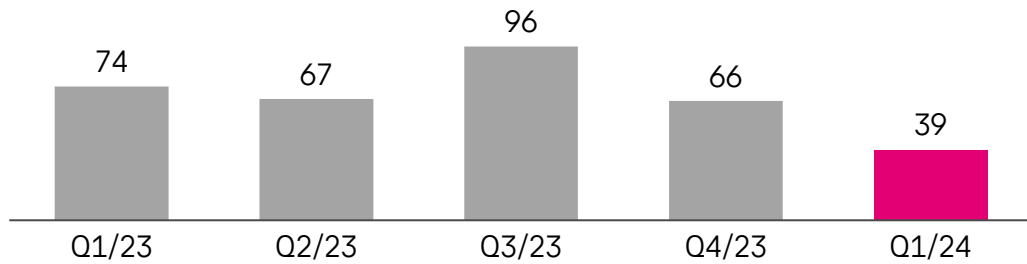
Germany

fixed KPIs: broadband slower, TV and FTTH faster



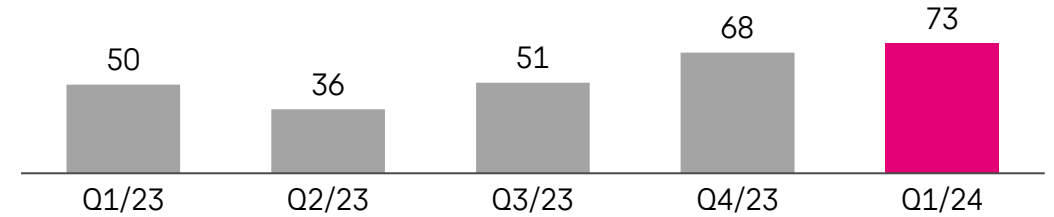
Broadband net adds

000



TV net adds

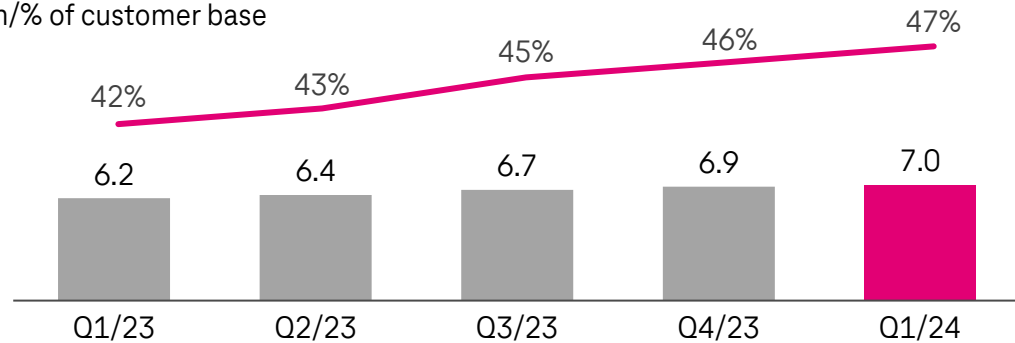
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Additionally, 46k TV OTT net additions, for ~350k total subs

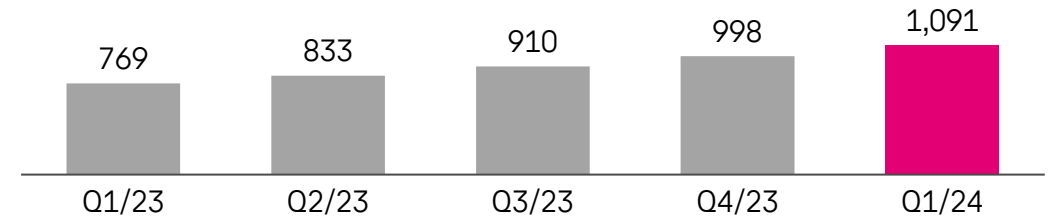
Retail customers with ≥ 100 Mbit/s tariff

mn/% of customer base



FTTH Customers

000



Targeting ~450k increase in 2024, up ~50% on 2023

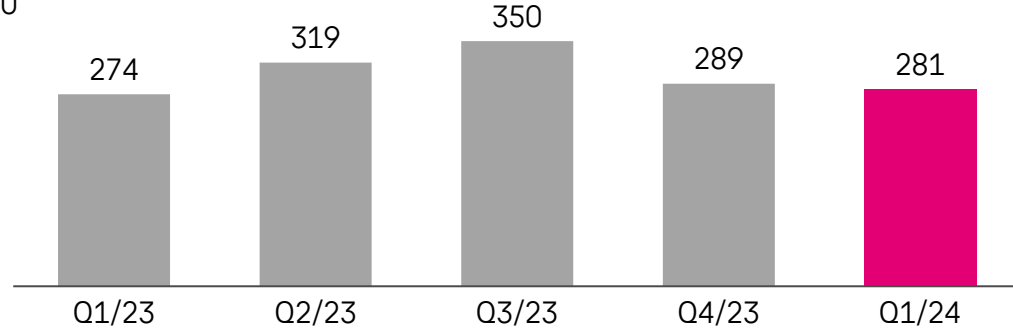
Germany

mobile KPIs: strong customer intake in a competitive market



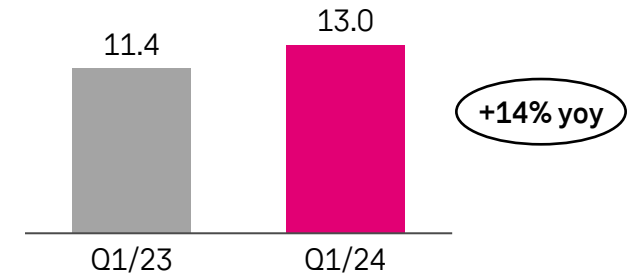
Branded contract net adds¹

000



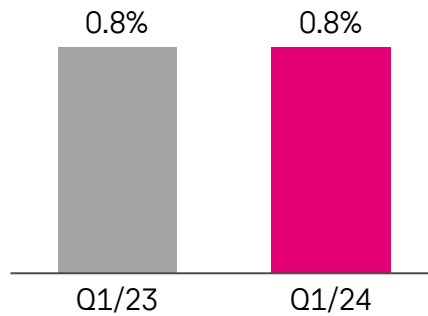
Data usage²

GB per month



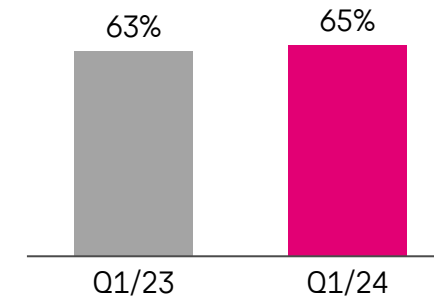
Churn²

%



Magenta EINS share (mobile)³

%



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

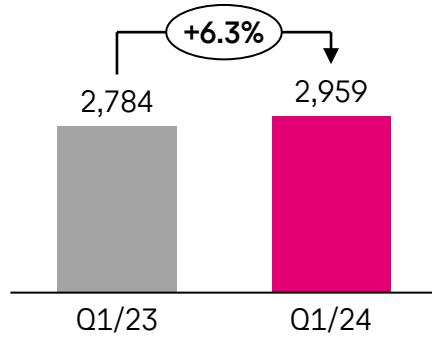
Europe

25th consecutive quarter of organic EBITDA growth



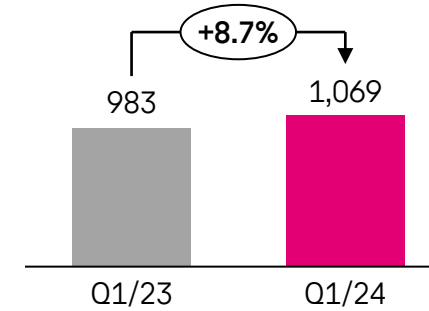
Revenues (reported)

€ mn



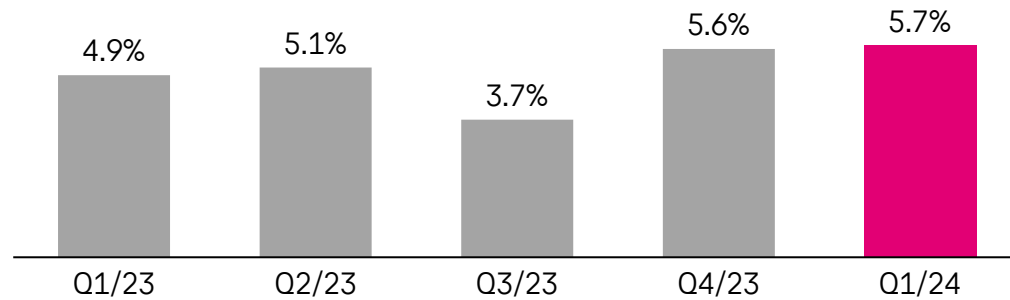
Adj. EBITDA AL (reported)

€ mn



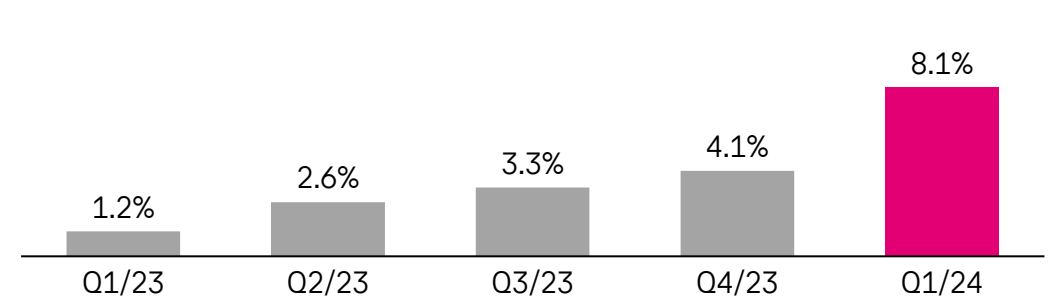
Revenues (organic)

% growth yoy



Adj. EBITDA AL (organic)

% growth yoy

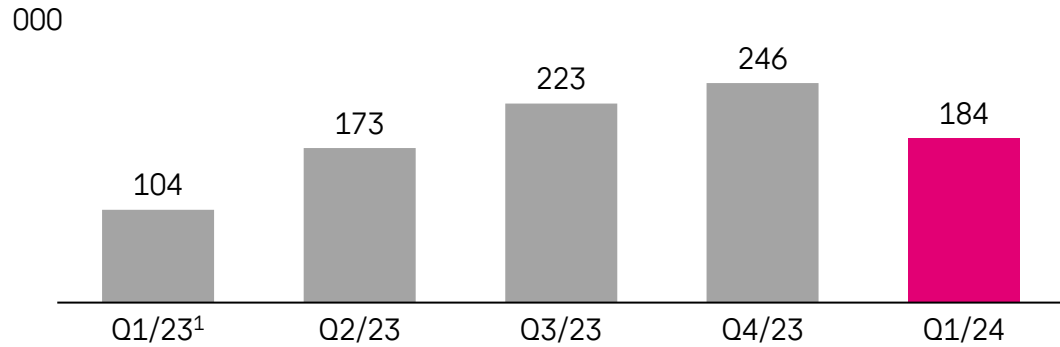


Europe

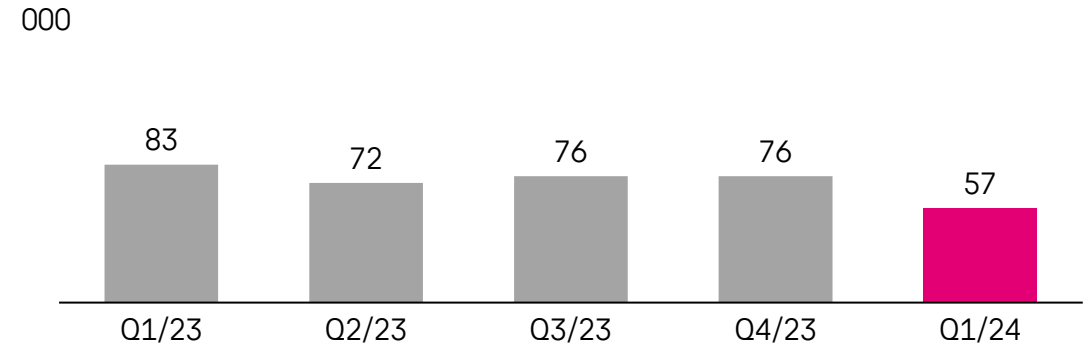
strong commercial performance



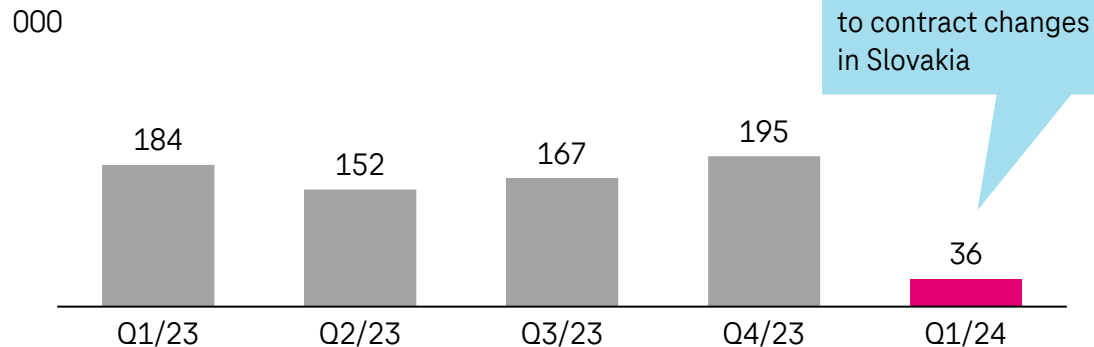
Mobile contract net adds



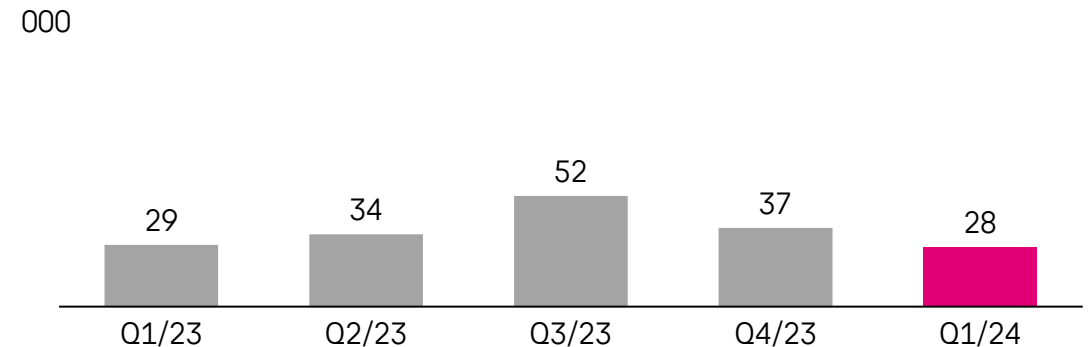
Broadband net adds



FMC net adds²



TV net adds



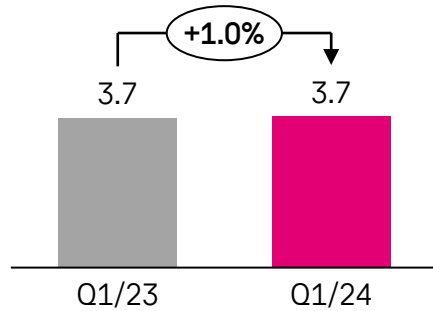
¹ Q1/23 Mobile contract net adds negatively impacted by 33 k re-classifications from contract to prepay in Hungary. ² Definition alignment in Q3/23. Historic figures have been re-stated.

Systems Solutions

healthy revenue growth continues

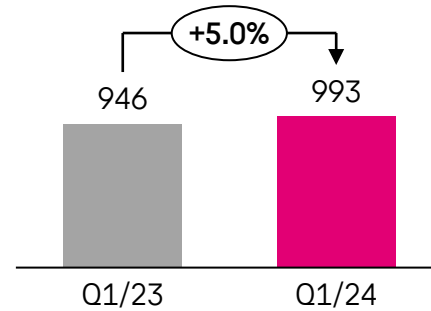
Order entry (LTM)

€ bn



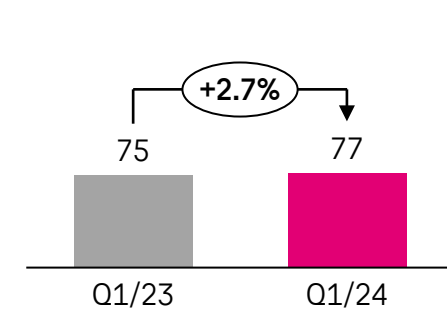
Revenues (reported)

€ mn



Adj. EBITDA AL (reported)

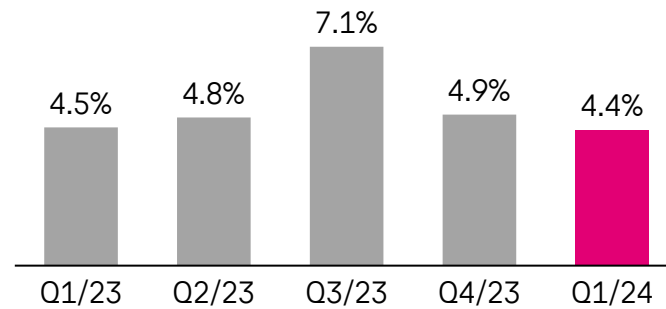
€ mn



- Revenues driven by strong quarter in Cloud, overcompensating classic IT business run down. External revenue growing by +6%

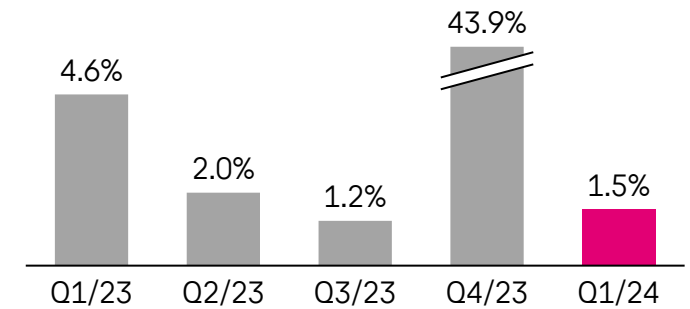
Revenues (organic)

% growth yoy



Adj. EBITDA AL (organic)

% growth yoy



Financials Q1/2024 reported

adj. EPS growing 15%, reported financials impacted by f/x headwind

€ mn

Q1

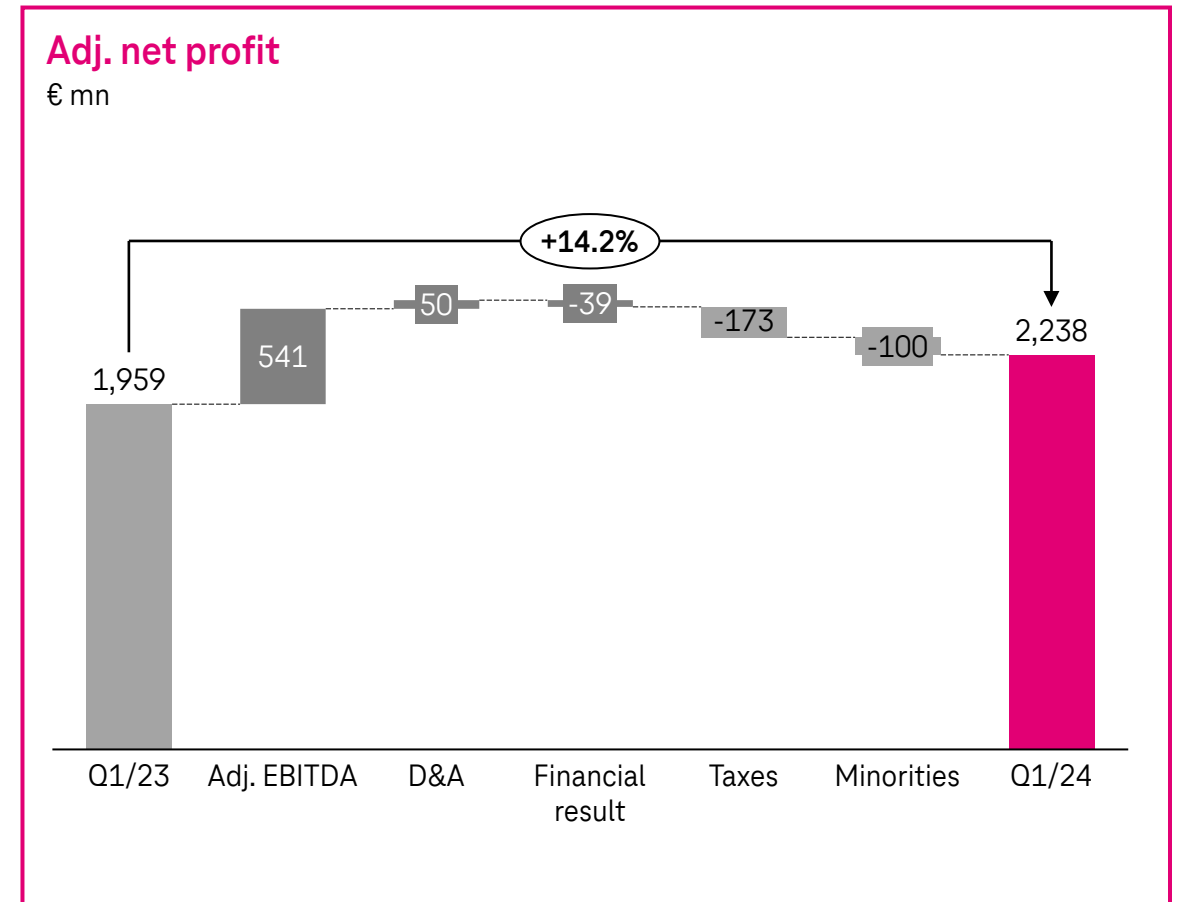
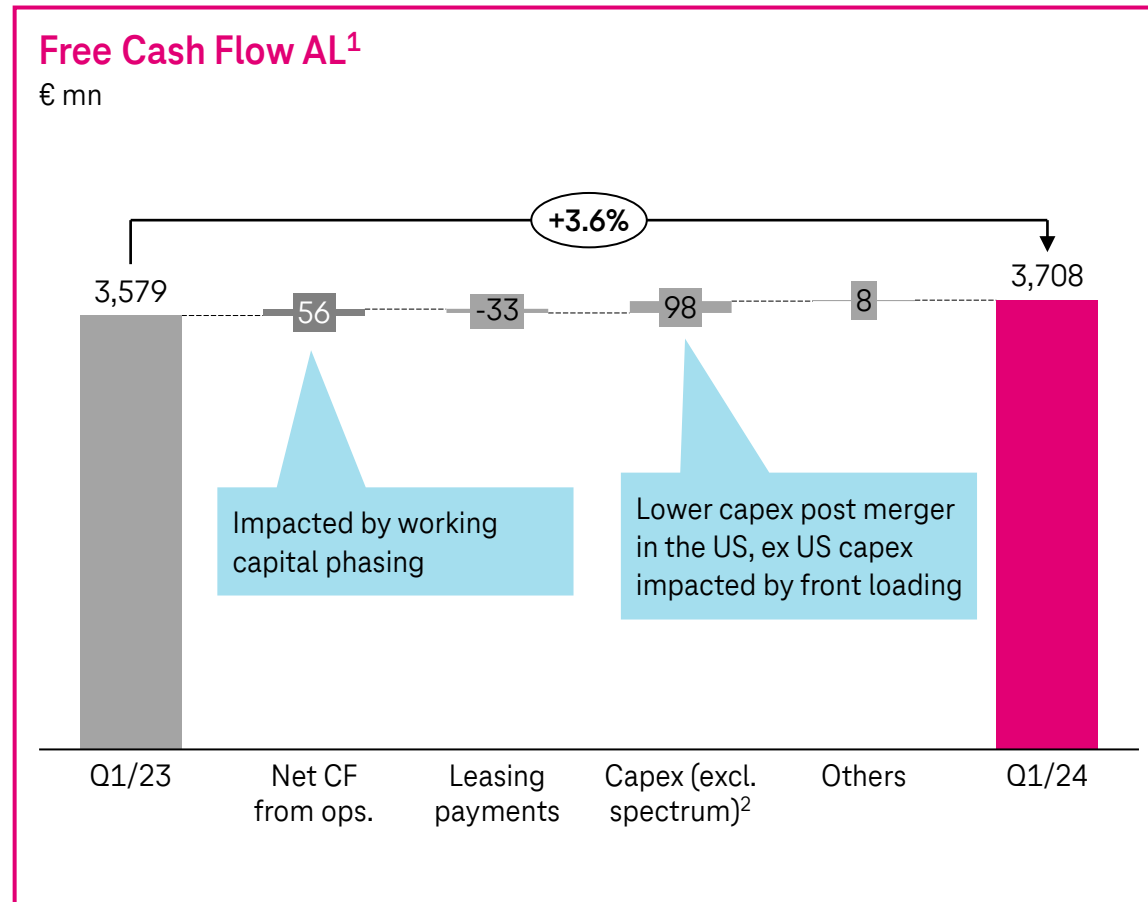
	2023	2024	Change	
Revenue	27,839	27,942	+0.4%	Impacted by currency and lower device revenues
Service revenues	22,814	23,485	+2.9%	Service revenues growing 4.1% organically
Adj. EBITDA AL	9,963	10,473	+5.1%	Adj. EBITDA organic +5.8%
Adj. EBITDA AL (excl. US)	3,427	3,541	+3.3%	Adj. EBITDA organic +5.2%
Adj. Net profit	1,959	2,238	+14.2%	
Net profit	15,360	1,982	-87.1%	Impacted by €12.9bn gain on tower sale in Q1/23
Adj. EPS (in €)	0.39	0.45	+15.4%	
Free cash flow AL ¹	3,579	3,708	+3.6%	
Cash capex ¹	4,759	4,661	-2.1%	
Net debt excl. leases (AL)	93,048	94,491	+1.6%	
Net debt incl. leases (IFRS 16)	133,517	133,116	-0.3%	Ex US impacted by phasing. FY guidance re-iterated

¹ Free cash flow AL before dividend and before spectrum investments. Cash capex before spectrum investment. Spectrum: Q1/23: €57 mn; Q1/24: €67 mn.

In this presentation the Group in Q1/23 is presented in accordance with the management view: certain key performance indicators in 2023 like revenue and adj. EBITDA AL are presented as if GD Towers still would be fully consolidated. This view is different to the consolidated financial statements of DT where GD Towers is treated as a discontinued operation. For more details, please refer to the back-up to this presentation, respectively the annual report of DT both available at www.telekom.com/en/investor-relations.

FCF AL and adj. net profit

FCF impacted by phasing, net profit by EBITDA



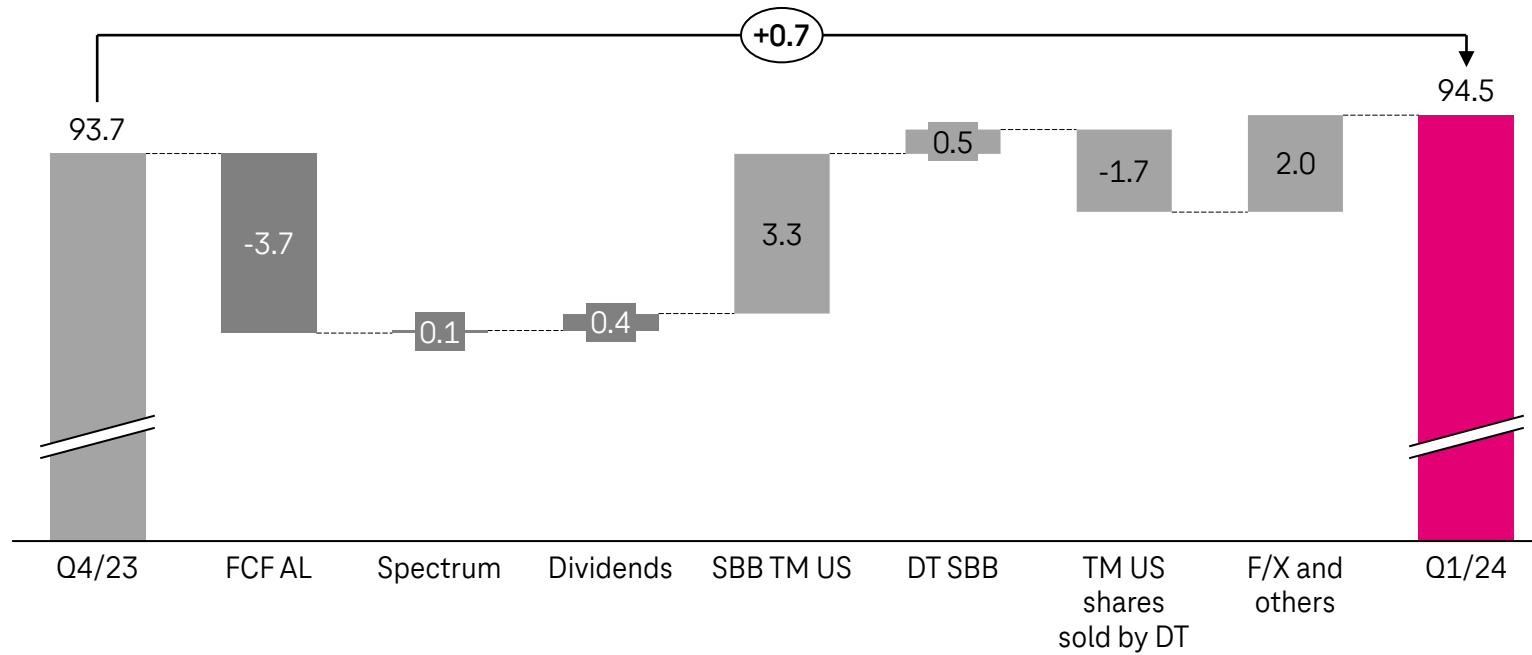
¹ Free cash flow and FCF AL before dividend payments and spectrum investment. ² Spectrum: Q1/23: €57 mn; Q1/24: €67 mn.

Net debt

leverage ratios slightly improved

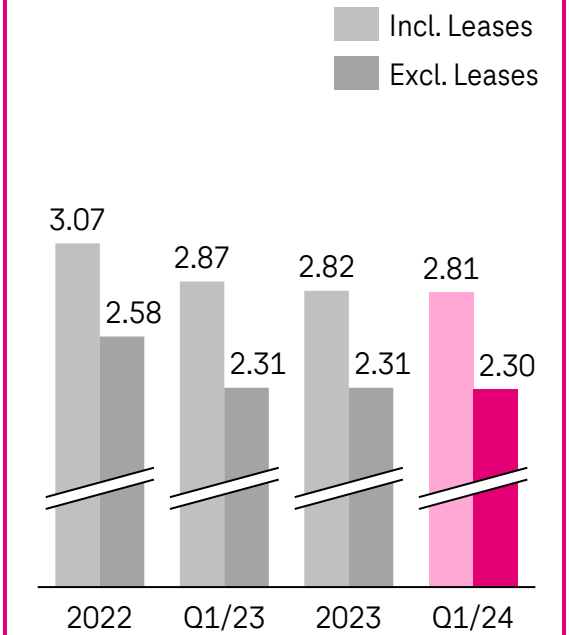
Net debt excl. leases (AL)

€ bn



Leverage ratios

X



Q1 2024 results

Main takeaways

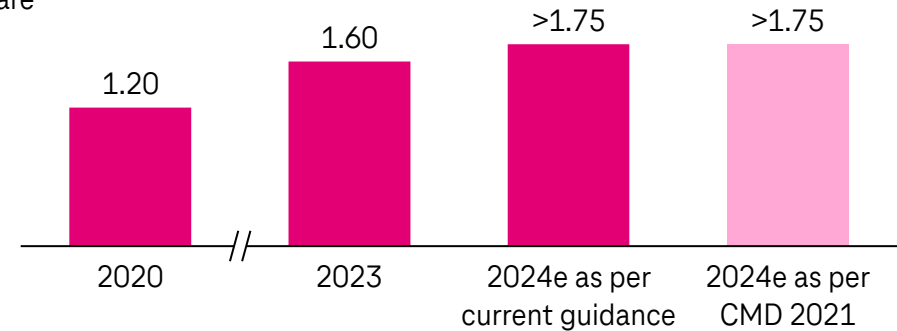
Q1/24 Key messages

consistent reliable growth

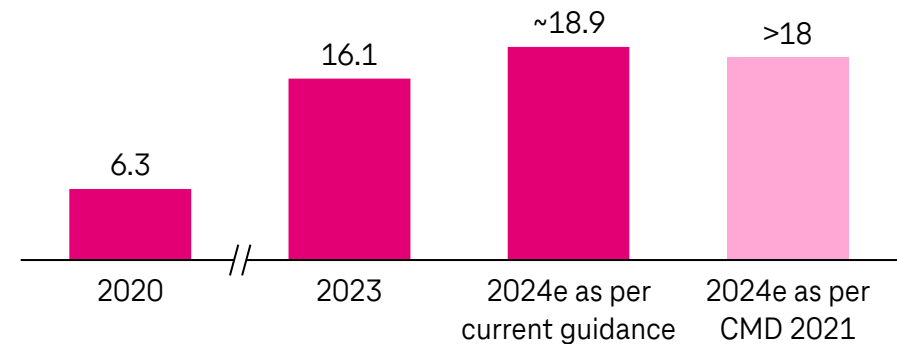
- Commercial performance continues unabated in all markets
- Continued sustainable growth with revenue, service revenue, EBITDA AL, FCF AL and adj. EPS
- Ex US Service revenues growing 4% organically, ex US EBITDA AL growing 5% organically
- TM US raises guidance despite possible ACP headwind
- Fiber roll-out on track for medium term targets in GER & EU. Continued investments in leading mobile infrastructure
- Gaining exposure to US fiber opportunity via fiber JV with EQT
- Stake in TM US 50.4% on April 19
- Ex lease leverage down to 2.30x. All 3 rating agencies at BBB+ with stable outlook
- Well on track for CMD 2021 targets
- DT CMD on October 10/11, 2024. TM US analyst day in autumn

2024 guidance/CMD targets 2024¹

Adj. EPS
in €/share



FCFAL
in € bn



¹ CMD guidance for 2024 based on 1€ = 1.14 US\$, Guidance assumed no change in the scope of consolidation.

Q1 2024 results

Appendix

Organic growth rates

In %

Q1/24 over Q1/23

Group revenues	+1.6
Group service revenue	+4.1
Service revenue excl. US	+3.6
Group Adj. EBITDA AL	+5.8
Adj. EBITDA AL excl. US	+5.2
Group adj. Core EBITDA AL ¹	+6.9

¹ adj. EBITDA AL excl. TM US handset leases.

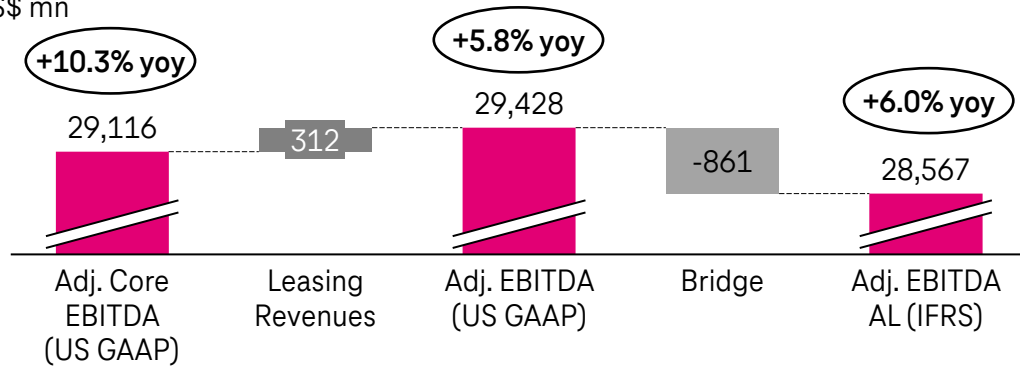
In this presentation the Group in Q1/23 is presented in accordance with the management view: certain key performance indicators like revenue and adj. EBITDA AL are presented as if Group Development still would be fully consolidated. This view is different to the consolidated financial statements of DT 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.

TM US

EBITDA reconciliation

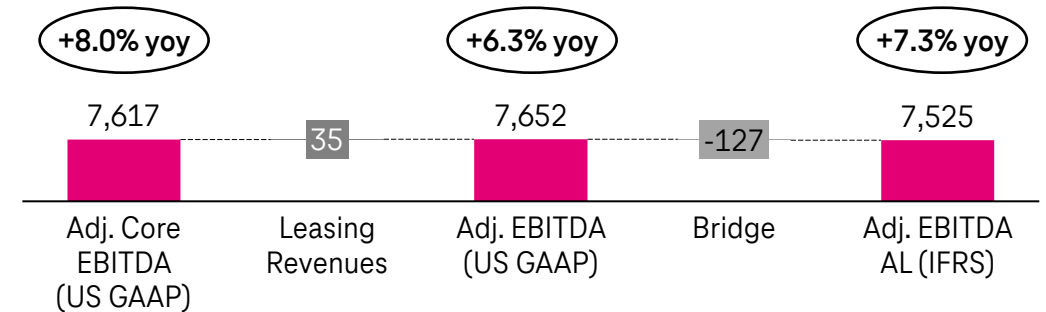
FY/23

US\$ mn



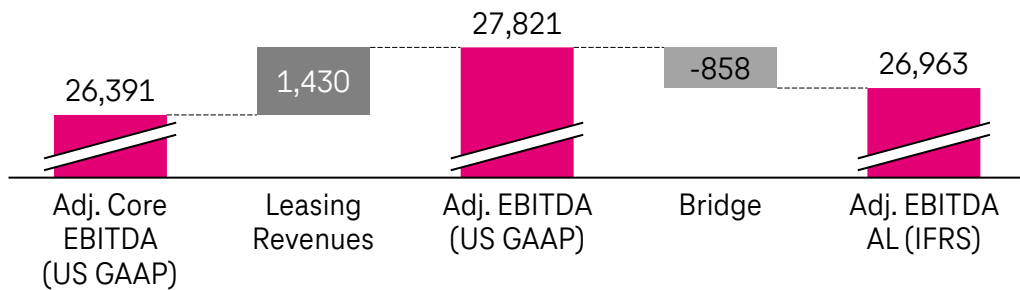
Q1/24

US\$ mn



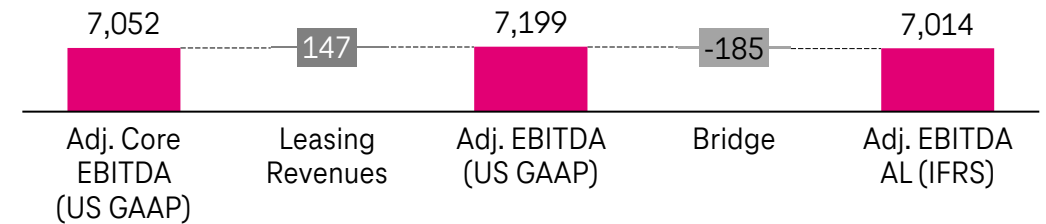
FY/22

US\$ mn



Q1/23

US\$ mn



FCF AL excl. US¹

full year 2024 guidance of €3.5bn unchanged

€ bn

	Q1 2023	Q1 2024
Adj. EBITDA	3.7	3.9
Leasing opex	-0.3	-0.4
Adj. EBITDA AL	3.4	3.5
Cash Capex	-2.0	-2.2
Proceeds from sale of fixed assets	+0.0	+0.0
Special Factors Cash	-0.2	-0.3
Interest ex leasing	-0.2	-0.2
Cash Taxes	-0.2	-0.3
Other (working capital etc.)	+0.5	+0.1
FCF AL	1.3	0.6

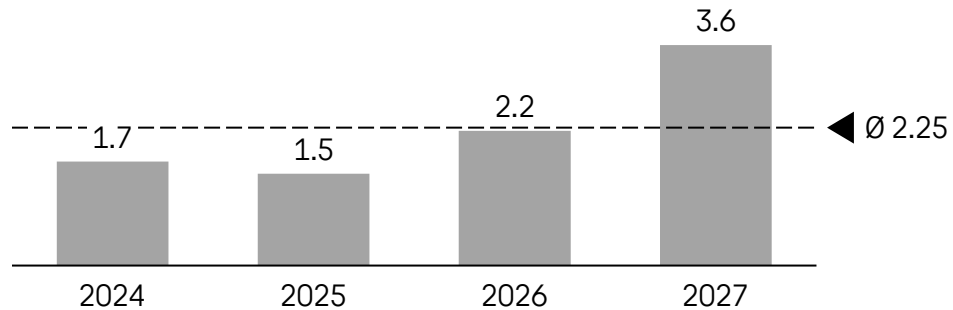
¹ Includes cash returns related to tower transaction. Excludes TM US dividend receipts.

Financials

maturity profile covered by strong liquidity reserve

Ex US bonds maturing

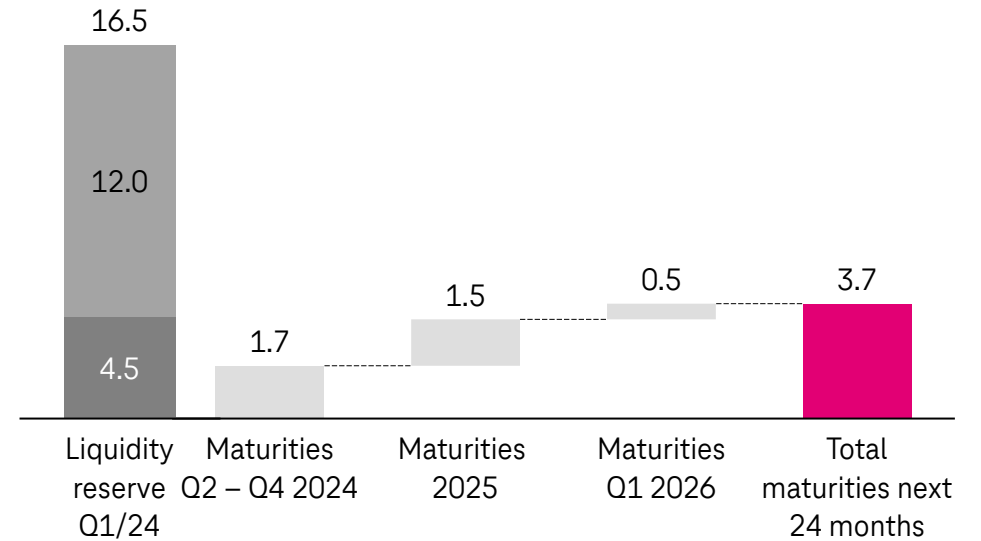
€ bn



Ex US liquidity position

€ bn

■ Credit lines
■ Liquid assets



- Additional US\$1.5 bn of outstanding TM US shareholder loans (to be repaid by 2028 at the latest)





Balance sheet

deleveraging as promised

€ bn

	31/03/2023	30/06/2023	30/09/2023	31/12/2023	31/03/2024
Balance sheet total	303.8	299.7	302.5	290.3	295.2
Shareholders' equity	98.7	94.4	96.6	91.2	93.2
Net debt excl. leases (AL)	93.0	97.2	96.9	93.7	94.5
Net debt excl. leases (AL)/adj. EBITDA AL ¹	2.31	2.40	2.40	2.31	2.30
Net debt incl. leases (IFRS 16)	133.5	136.9	137.1	132.3	133.1
Net debt incl. leases IFRS 16/adj. EBITDA ¹	2.87	2.94	2.94	2.82	2.81
Equity ratio	32.5%	31.5%	31.9%	31.4%	31.6%

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:	BBB+	stable outlook
Moody's:	Baa1	stable outlook
S&P:	BBB+	stable outlook

¹ Ratios for the interim quarters calculated on the basis of previous 4 quarters.

Guidance 2024

compared to consensus

€ bn

	Guidance 2024 in € @ 1.08	Guidance 2024 in € @ 1.08 (Cons. f/x)	Consensus in € @ 1.08
Adj. EBITDA AL Group	~42.9	~42.9	42.8
thereof ex US	14.4	14.4	14.5
thereof TM US	~28.6	~28.6	28.4
FCF AL	~18.9	~18.9	18.9
thereof ex US	~3.5 ¹	~3.5 ¹	3.5
thereof TM US	~15.4	~15.4	15.4 ²
Adj. EPS	>1.75	n.a.	1.78

¹ Includes €0.2 bn of cash returns related to tower transaction. ² Calculated by using the DT pre-results Group consensus of €19.0 bn and subtracting ex US contribution.

Outlook 2024/25 as per annual report 2023 (1/2)¹

€ bn

	2023 pro forma	2024e	2025e
Revenue Group	112.2	Increase	Increase
Germany	25.2	Slight increase	Slight increase
US (in US\$)	78.6	Increase	Increase
Europe	11.8	Slight increase	Slight increase
Systems Solutions	3.9	Slight increase	Stable
Service Revs Group	93.2	Increase	Increase
Germany	22.1	Slight increase	Slight increase
US (in US\$)	63.6	Increase	Increase
Europe	9.8	Slight Increase	Slight increase
Systems Solutions	3.8	Slight Increase	Stable
Adj. EBITDA AL Group	40.6	~42.9	Strong Increase
Germany	10.2	10.5	Increase
US (in US\$)	28.8	30.8	Strong increase
Europe	4.1	4.3	Slight increase
Systems Solutions	0.3	0.3	Slight increase

¹ See annual report 2023 for additional details.

Outlook 2024/25 as per annual report 2023 (2/2)¹

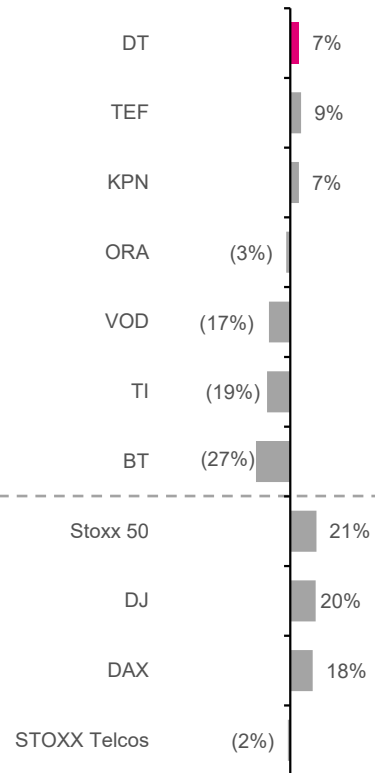
€ bn

	2023 pro forma	2024e	2025e
Cash Capex Group	16.6	~15.9	Stable
Germany	4.6	Slight increase	Slight increase
US (in US\$)	9.8	Decrease	Stable
Europe	1.8	Slight increase	Slight increase
Systems Solutions	0.2	Stable	Stable
FCF AL Group	16.2	~18.9	Strong increase
Adj. EPS	1.60	>1.75	Increase
Net debt/adj. EBITDA	2.82x	~2.75x	~2.75x

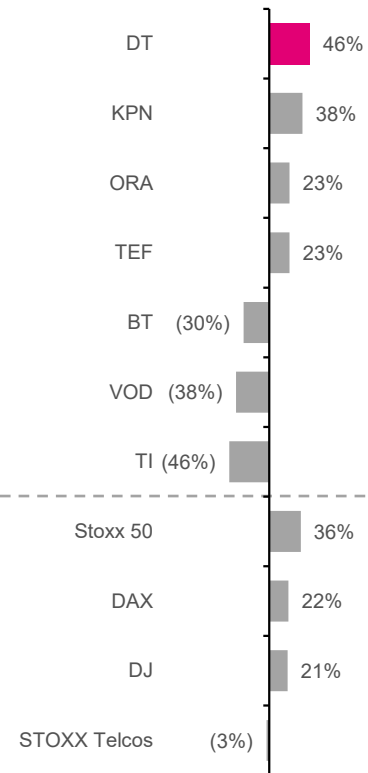
¹ See annual report 2023 for additional details. Adj. EPS and Net debt/adj. EBITDA as reported.

Longer term TSR comparisons

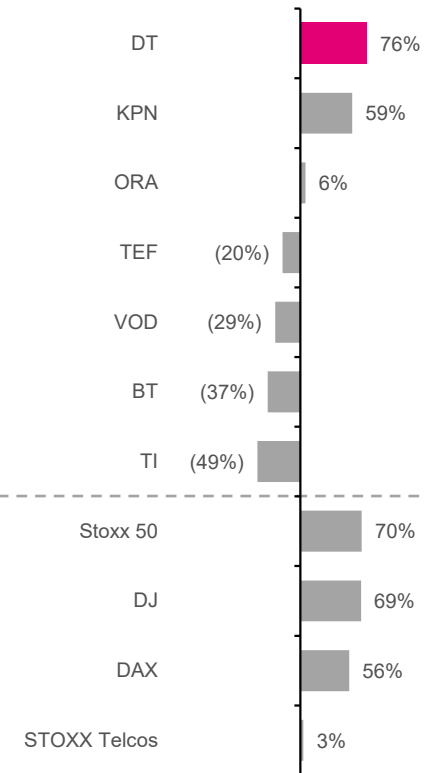
1 Year Performance



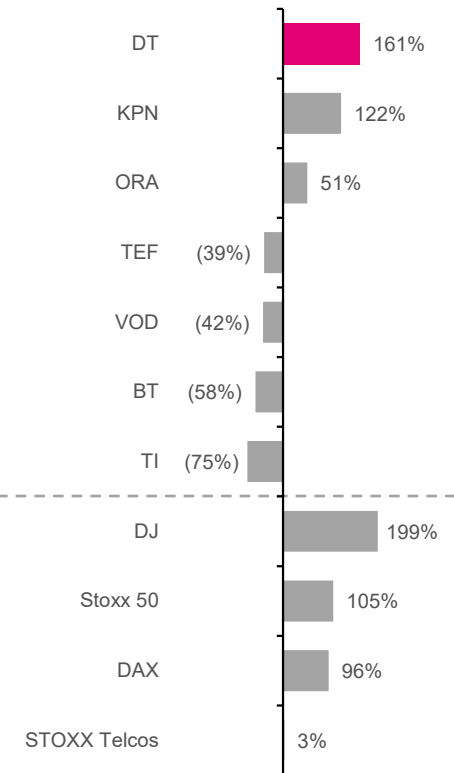
3 Year Performance



5 Year Performance



10 Year Performance



Source: FactSet. Data as per 10. May 2024.

Investor + Analyst Webcast with Q&A session

The conference call will be held on **May16 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=m1ae994da11cba753fae8223ac6d10430>

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Further questions

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