

CAPITAL
MARKETS
DAY 2024

#DTCMD24

Group Development

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(Board Member US &
Group Development)



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This presentation contains forward-looking statements that reflect the current views of Deutsche Telekom management with respect to future events. These forward-looking statements include statements with regard to the expected development of revenue, earnings, profits from operations, depreciation and amortization, cash flows and personnel-related measures. You should consider them with caution. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond Deutsche Telekom's control. Among the factors that might influence our ability to achieve our objectives are the progress of our workforce reduction initiative and other cost-saving measures, and the impact of other significant strategic, labor or business initiatives, including acquisitions, dispositions and business combinations, and our network upgrade and expansion initiatives. In addition, stronger than expected competition, technological change, legal proceedings and regulatory developments, among other factors, may have a material adverse effect on our costs and revenue development. Further, the economic downturn in our markets, and changes in interest and currency exchange rates, may also have an impact on our business development and the availability of financing on favorable conditions. Changes to our expectations concerning future cash flows may lead to impairment write downs of assets carried at historical cost, which may materially affect our results at the group and operating segment levels.

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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.

Key messages

01

A decade of value enhancing portfolio management

We created the best portfolio at scale in the sector #1 in US, Germany and EU with no “weak links”.

02

Reliability and delivery

CMD 2021 promises delivered; DT TSR outperforming DAX, Dow Jones, Stoxx 50 and Stoxx Telcos on 1-, 3-, 5- and 10-year time frame; TMUS near all-time highs.

03

From 44% to >50% in the US

>50% by active portfolio management and corporate finance while achieving leverage target.

04

Best position ever

“Excess capital”, ability to “out-invest” our competition, exploit M&A opportunities (but no “landgrab”) and increase shareholder returns.

05

Strategic optionality

Build out TMUS distinct competitive advantage, GD Towers as kingmaker asset, DT Tech Fund, BT stake.

06

Many positive catalysts ahead

DT & DT ex US re-rating, Sector leading double-digit EPS growth with potential for attractive shareholder returns.



**“Luck is a dividend of sweat.
The more you sweat,
the luckier you get.”**

The beginning of a transformation

Research Note, July 2010

Tweedle Dee and Tweedle Dum are not twins anymore

July 16, 2010

B
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Deutsche Telekom and France Telecom: Tweedle Dee and Tweedle Dum Are Not Twins Anymore, a Cartoon

Target Price Change / Estimate Change in Bold

Ticker	Rating	CUR	14/07/2010	TTM	EPS			P/E			Yield	
			Closing Price		Target Price	Rel. Perf.	2009A	2010E	2011E	2009A		2010E
DTE.GR	O	EUR	10.06	12.00	3.2%	0.76	0.80	0.82	13.2	12.6	12.3	7.8%
OLD							0.79	0.80				
FTE.FP	M	EUR	15.02	16.00	-27.3%	1.54	1.66	1.63	9.8	9.0	9.2	9.3%
OLD				19.50			1.67	1.65				
MSDL15			1089.290			70.63	93.48	111.50	15.4	11.7	9.8	4.0%

O – Outperform, M – Market-Perform, U – Underperform, N – Not Rated

- “Investors think about the two as a pair. We were wrong.”
- “But in the last two years so much has changed at both DT and FT...”
- “DT announced that all top management would move to share-based remuneration set to reward EPS growth and ROCE improvements”
- “The new DT CFO...embraced a ROCE discipline for DT's entire portfolio”

Interesting to note: PE 12.6x, €10.06 share price, DT market cap €44 bn (vs FT €39 bn)



Source: Bernstein Research



GROUP STRATEGY

GERMANY

EUROPE

T-MOBILE US

TECHNOLOGY & INNOVATION

B2B

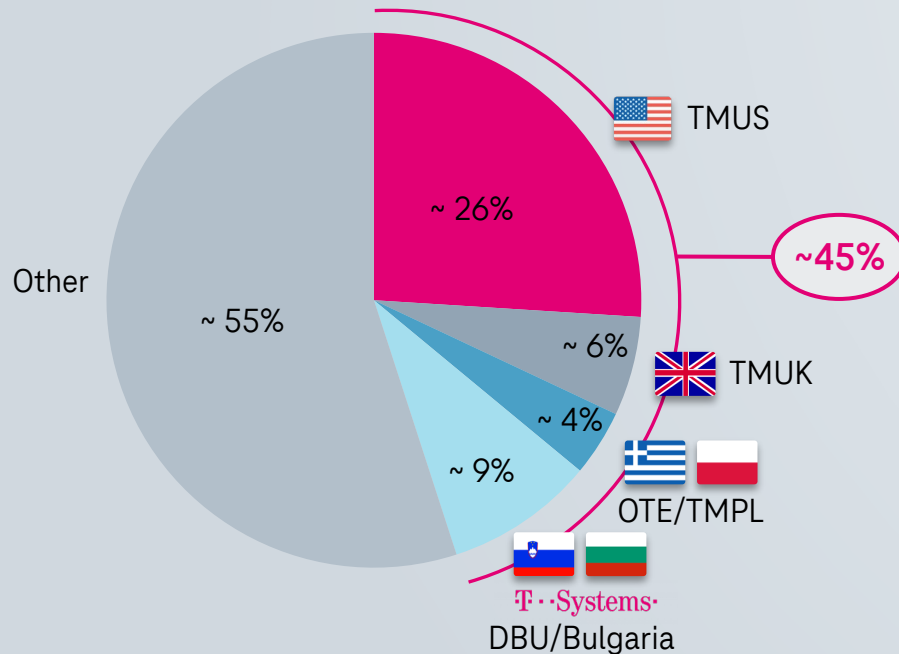
GROUP DEVELOPMENT

GROUP FINANCIALS

Blood, sweat and tears

NEARLY HALF OF THE PORTFOLIO WITH CHALLENGES

DT SoTP Value composition 2009

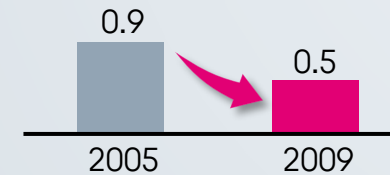


TMUK/TMUS UNDER STRUCTURAL PRESSURE

TMUK



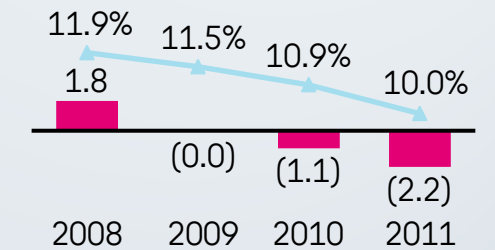
EBITDA, £ bn



TMUS



Net adds, mn & Market share



Three profit warnings, DT shares sink to all time lows in 2009

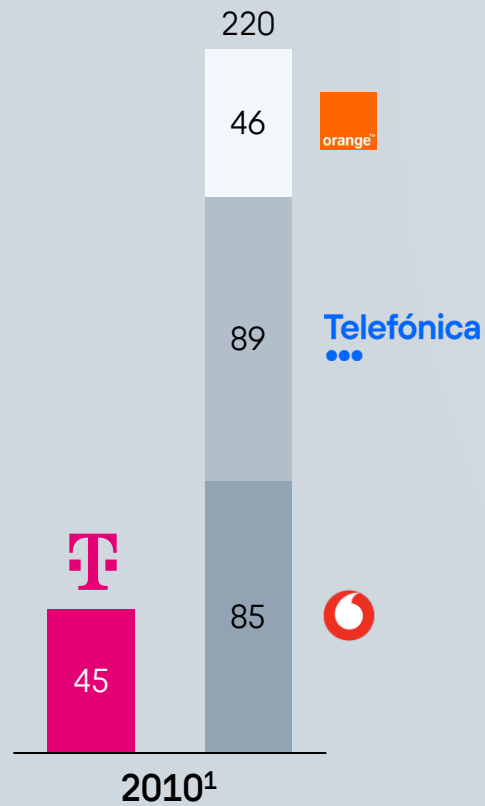
DT € per share



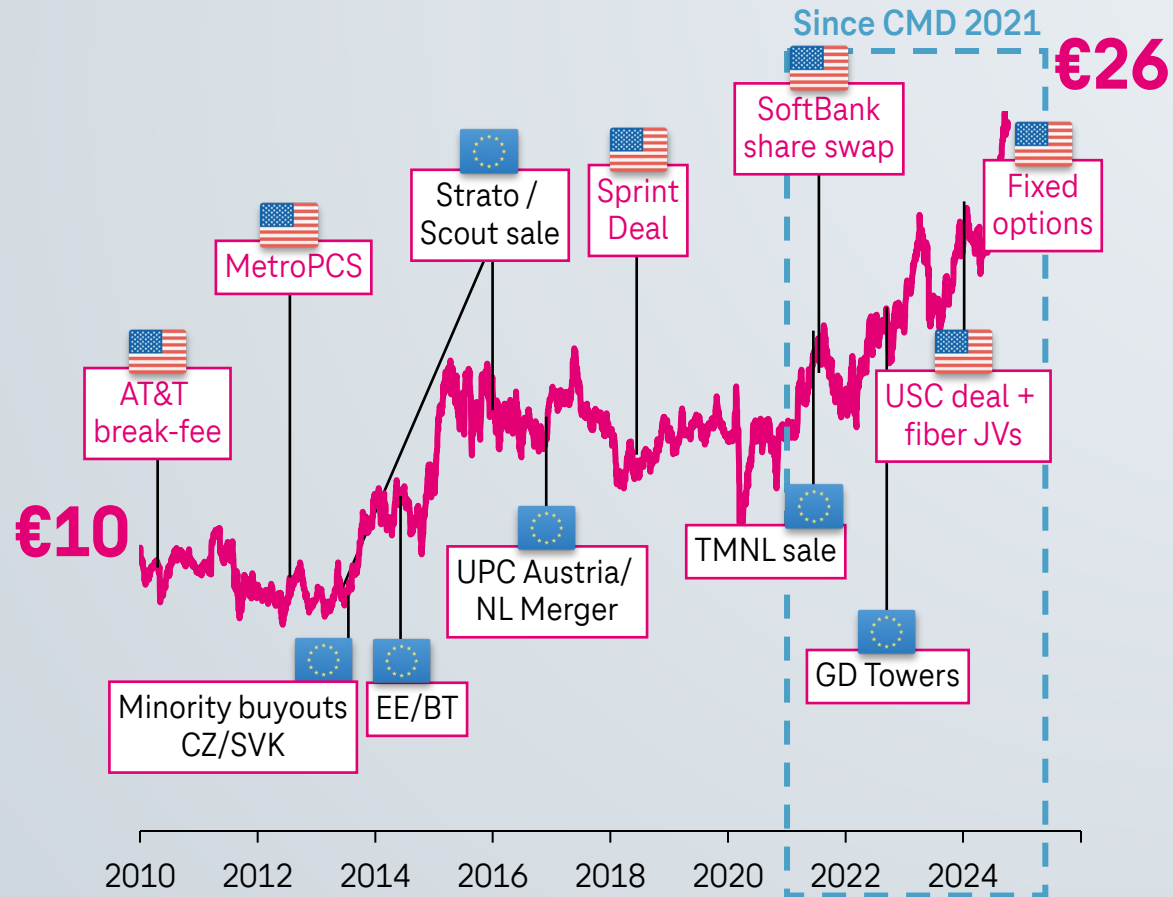
10+ years of successful portfolio management

#4 European Telco 2010

Market cap, € bn

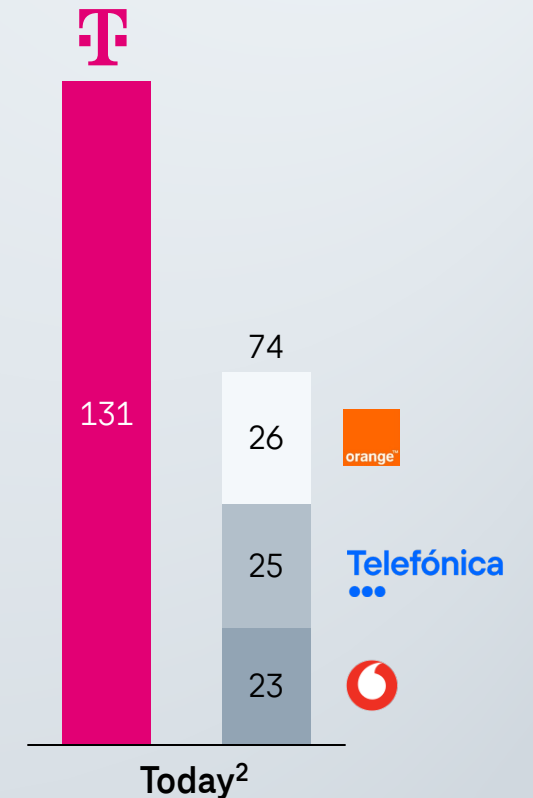


DT Share Price 2010–2024²



#1 European Telco 2024

Market cap, € bn



Source: Capital IQ, Company filings. ¹ As of January 1st, 2010 ² As of October 4th, 2024



We have been bold on value-enhancing portfolio changes but very disciplined on M&A

Track record & transformation

- ✓ **US from #4 to #1 via DT stewardship**
 - Break fee, MetroPCS reverse IPO, DT shareholder loans
 - In-market consolidation via Sprint
 - Right management teams for the task at hand
- ✓ **Optimization of European portfolio**
 - Serbia, Albania, Bulgaria exits & minority buyouts CZ/SVK
- ✓ **Divest to invest**
 - 51% in GD Towers
 - TMNL exit
 - Scout24 & Strato
- ✓ **FMC in Europe**
 - TMA / UPC
 - EE into BT
- ✓ **Build up expertise in tech & infra investments**
 - DT Capital Partners

TMUS Control &
Network Leadership EU & US

“Best M&A” is sometimes deals not done...

- ✗ **No to out of footprint acquisitions, rather in-footprint**
 - Sprint/Tele2/UPC Austria
- ✗ **No major Content & Media acquisitions**
 - Strong conviction in “aggregator model”
- ✗ **No to adjacent consumer technology acquisitions**
 - DTCP focusing on B2B/Enterprise software and infrastructure
- ✗ **No to less value accretive US M&A options vs. Sprint**
 - Discussions with Dish in 2016
- ✗ **No to stake increases in BT/EE**
 - Negative view of the regulatory and market environment
- ✗ **No to tower mergers at peak multiples**
 - No to attractive strategic partners @ peak multiples

Today, DT is the “rock in the storm”

DT is the “rock in the storm” ...



...in a uniquely strong position

- ✓ Leading global Telco with financial & customer scale (~300 mn customers)
- ✓ Market leader in both Europe and the USA
- ✓ Unique financial scale & muscle
 - €346 bn EV controlled by DT larger than any other telco in EU or US¹
 - €131 bn market cap: Greater than Vodafone, Telefonica and Orange combined
 - €19 bn of FCF AL: 50% greater than all other incumbent EU telcos combined²
- ✓ Only transatlantic platform with the financial flexibility and customer scale to (prudently) pursue new and emerging growth opportunities
- ✓ Attractive financial trajectory & valuation upside
 - Double digit EPS growth historically & compelling outlook from here
 - ...but still trading @ only ~14x PE
- ✓ Best in class shareholder returns
 - TSR of 76% since CMD '21 vs. 8% EU peers³ and 24% DAX
 - Consistently delivered guidance

¹ EV adjusted for US minorities (TMUS 49.6% equity stake not owned by DT) as of October 4th, 2024, no adjustment made for EU minorities; ² Source: JPM Research;

³ EU peers: BT, Orange, Telefonica, TIM, KPN and Vodafone

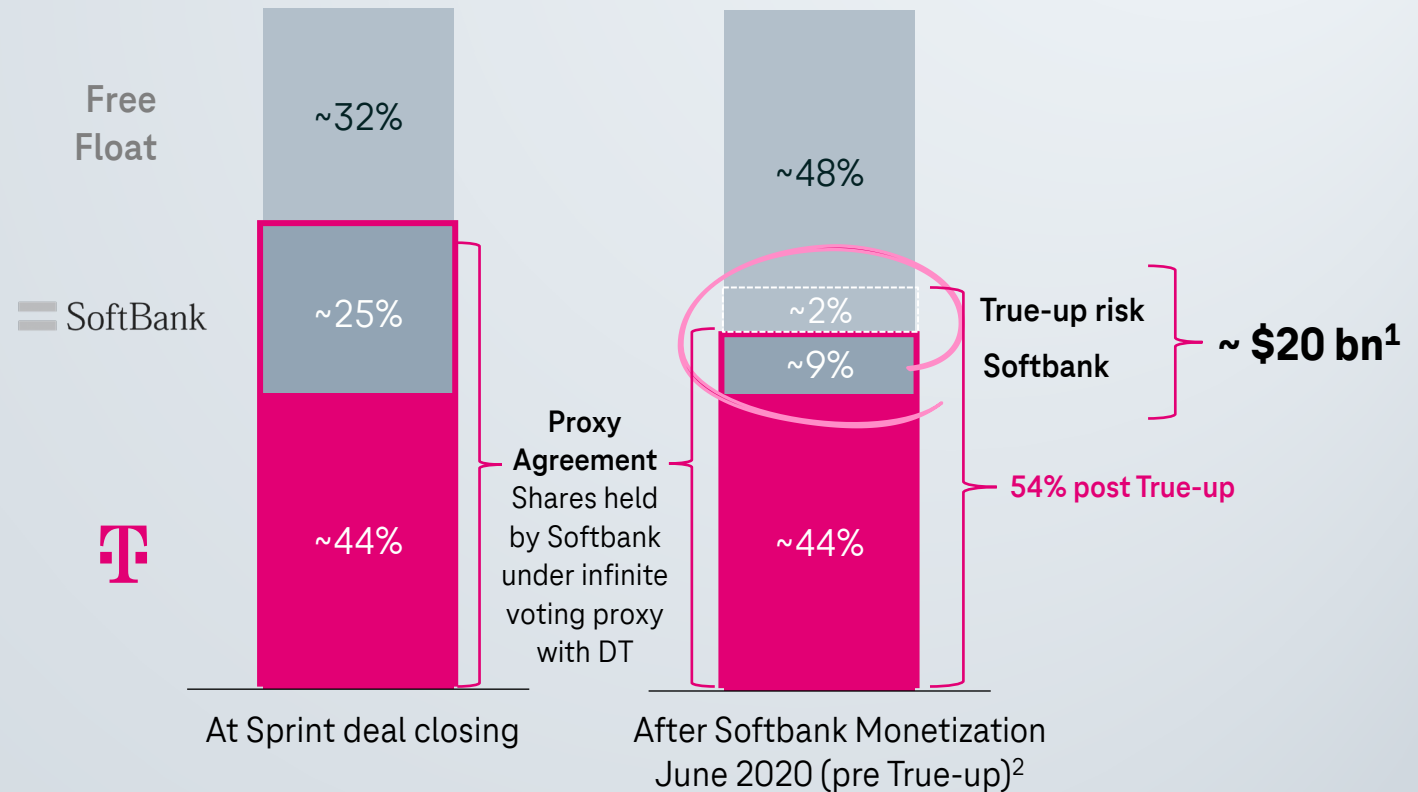
Review 2020–2024

There was a “\$20bn cow on the ice”...

A “Magenta cow on thin ice”



TMUS shareholder structure

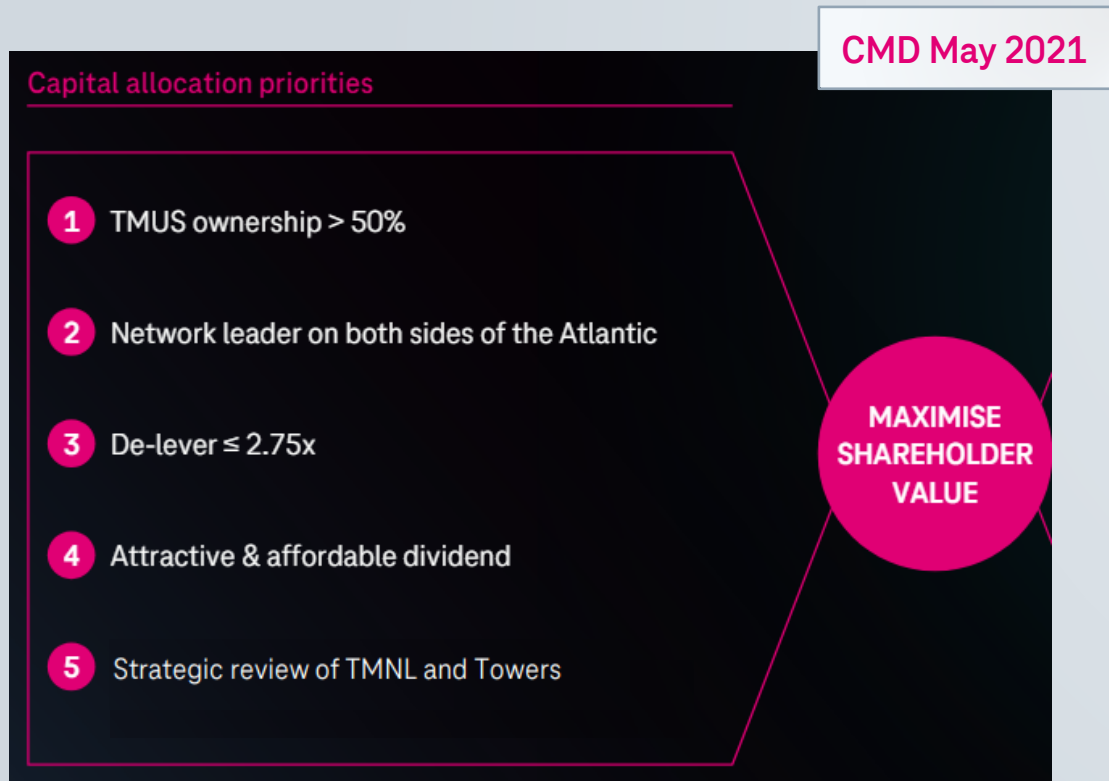


Note: True-up risk reflects 50% (24.4 mn) of the TMUS shares issued in True-up (48.8 mn). Historic shareholding data as per company filings. AI-generated image content. ¹@True-up threshold \$150; ²Softbank released from lock-up on 198 mn shares/16% in June 2020



...and we set ourselves a high bar

CMD 2021 – Capital allocation priorities



Versus the challenge

- DT @ 3x leverage – target to de-lever towards 2.75x
- Softbank lock-up only until mid 2024 / True-up dilution risk
- Conviction that TMUS share price will appreciate¹
- M&A execution risk (Towers/TMNL)
- US spectrum auctions & network integration² costs looming
- Maintain and build out network leadership in Europe (especially Fiber in Germany)

¹ TMUS @ \$134 in CMD 2021 (19 May 2021); ² €14.6bn spectrum cash invest 2021-24Actual (only reflecting completed acquisitions in 2024): \$10.2 bn C-band and relocation, \$2.8 bn 3.45GHz, \$2.4 bn Columbia 600MHz, \$0.6 bn 2.5GHz and other, \$0.3 bn White Space. €7.4 bn DT IFRS Net debt impact from tower lease contract extension

We executed swiftly...

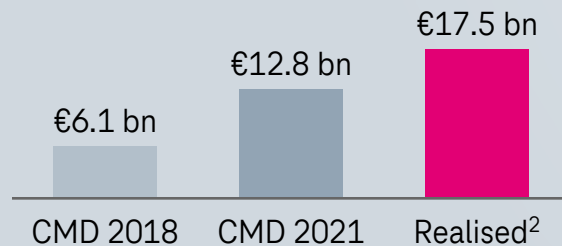
Divest to invest

Enterprise value

TMNL sale @ 8.7x EBITDA (2022)



GD Towers sale of 51% @ 27x EBITDA (2023)




Corporate Finance

 SoftBank

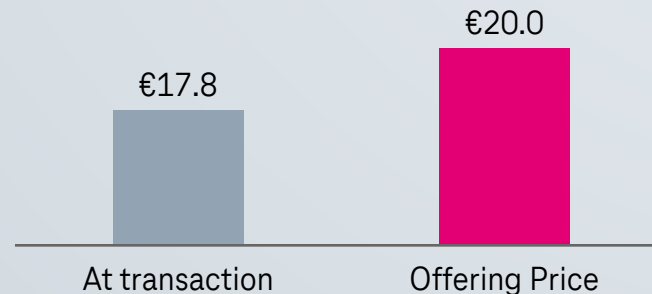
1 TMUS options for early liquidity (2020)

- 45 mn fixed options in exchange for early liquidity to Softbank³

 SoftBank

2 DT share swap at a premium (2021)

- 4.5% DT capital increase at €20/share (12% premium)
- Exchanged against 3.6% in TMUS



Execution excellence

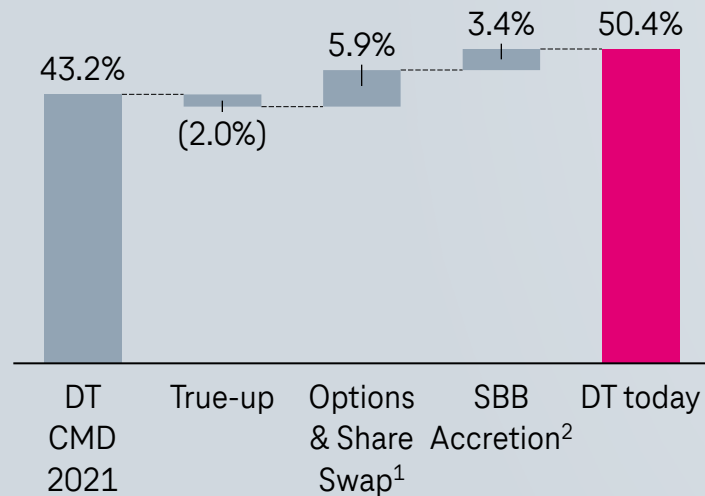
- M&A transactions delivered in time⁴
 - TMNL tower sale (Jun-2021)
 - TMNL sale to Warburg Pincus / Apax Partners (Mar-2022)
 - Tower JV with Brookfield / Digital Bridge (Feb-2023)
- Attractive valuations achieved:
 - ~€14.3 bn proceeds⁵
 - €4.5 bn capital raise @ a premium swapped for 3.6% in TMUS

¹ Enterprise value including proceeds from NL Towers sale; ² Enterprise value for 100% GD Towers, 51% stake sold; ³ Softbank released from lock-up on 198 mn shares/16% in June 2020; ⁴ Date of transaction closing ⁵ Reflects proceeds from towers (€10.7 bn) and TMNL (€3.6 bn)

...and delivered in time and with attractive value for shareholders

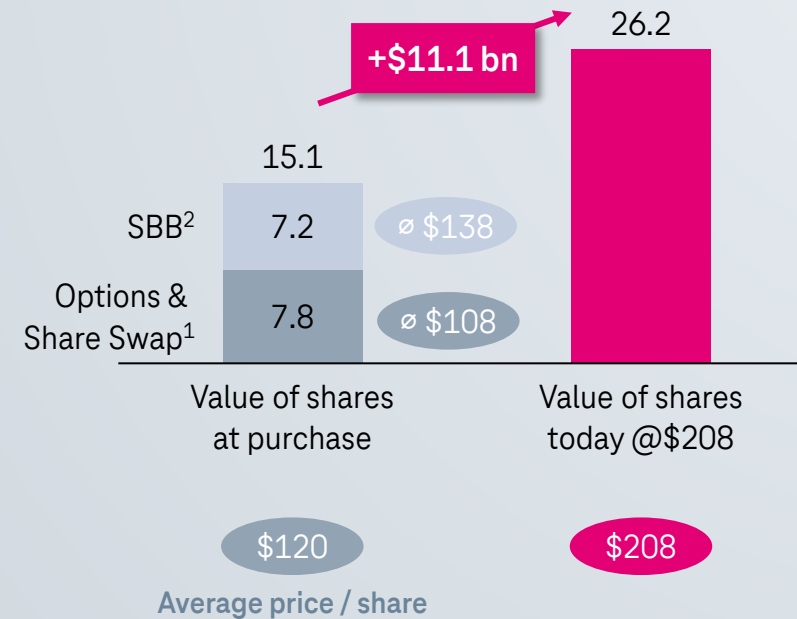
Achieved >50% by March 2023

Shareholding in TMUS

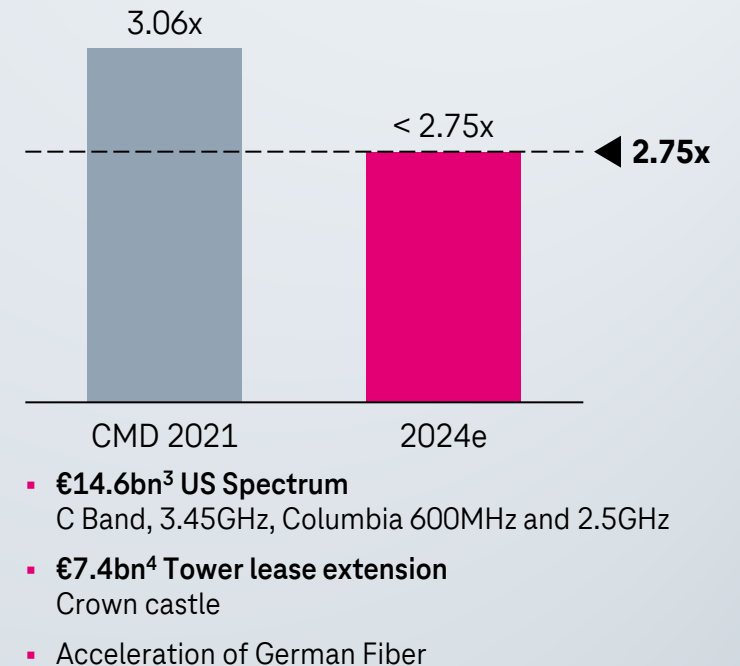


Realized and captured significant value in TMUS

\$ bn



Delivered deleveraging despite investments and headwinds



¹ Reflects 73 mn shares acquired through options - partially funded by TMNL sale and DT share issue at a premium; ² Stake accretion through TMUS SBB net of proportionate selling into open market after reaching control (~52 mn shares: ~76mn eligible to tender and 23 mn shares sold); ³ €14.6bn Spectrum cash invest 2021-24A (only reflecting completed acquisitions in 2024): \$10.2 bn C-band and relocation, \$2.8 bn 3.45GHz, \$2.4 bn Columbia 600MHz, \$0.6 bn 2.5GHz and other, \$0.3 bn White Space. ⁴ €7.4 bn DT IFRS Net debt impact from tower lease contract extension



Strategy 2023–2027

Many positive catalysts ahead

STRONG POSITION

- ✓ #1 positions without “weak links”
- ✓ Unique transatlantic scale (~ 300 mn global customers)
- ✓ Scale to best capitalize on digitalization
- ✓ Best in class financial profile promising...
- ✓ ...attractive shareholder returns
- ✓ Leverage target achieved, therefore...
- ✓ ...financial flexibility, headroom to invest
- ✓ Track record of capital allocation focused on shareholder value (no “landgrab mode”)

UPSIDE OPPORTUNITIES AHEAD



DT and DT ex-US re-rating upside



Investment opportunities in attractive US market



Leveraging transatlantic scale



GD Towers & DT CEE towers as kingmaker assets



BT Optionality



Capital DT Tech Fund



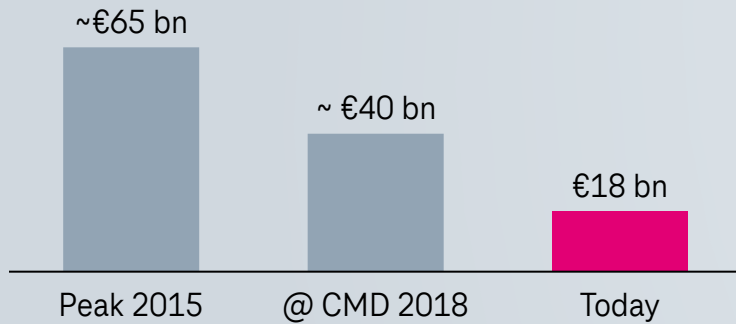
Shareholder remuneration



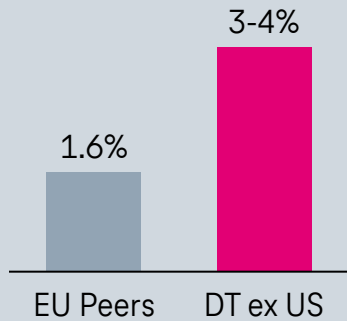
Material DT and DT ex-US discount not based on market fundamentals and clear re-rating catalysts

DT ex US appears to be undervalued...

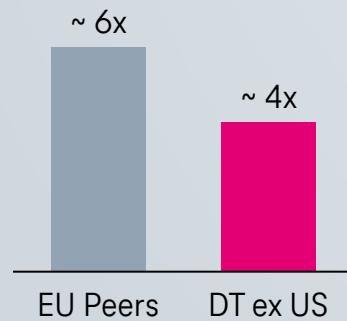
Implied market value¹, € bn



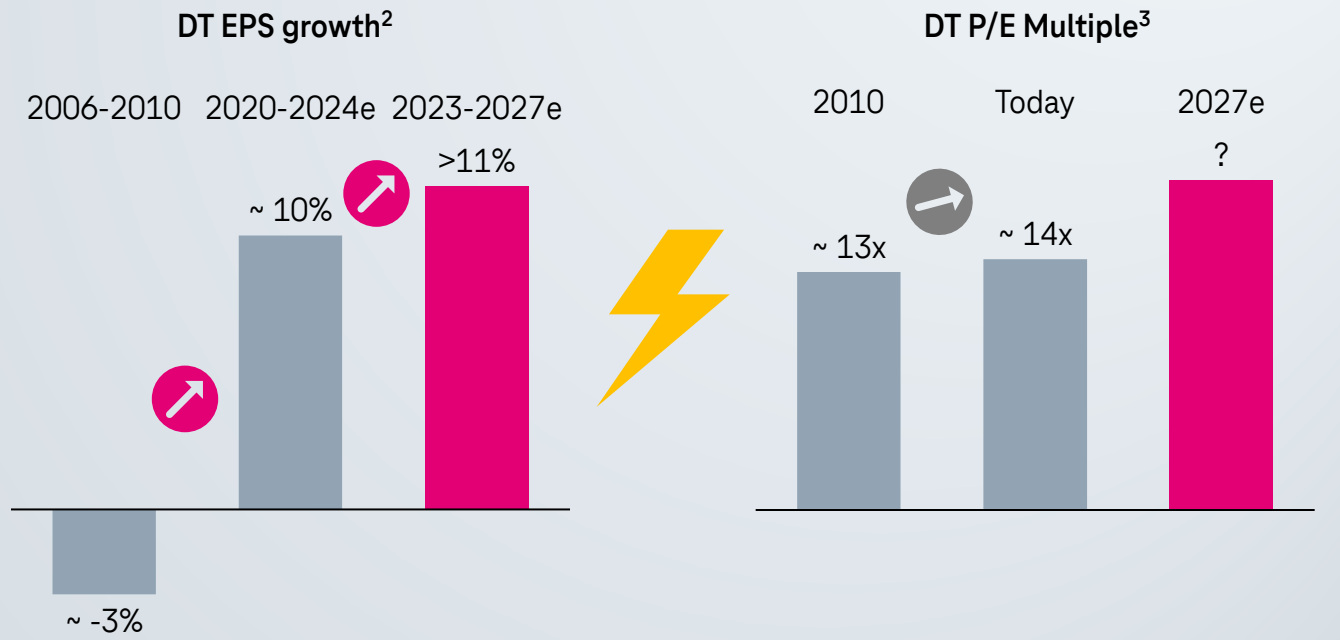
EBITDA AL Growth 2023-2027e



EV/EBITDA Multiple NTM



...and at group level, our P/E multiple doesn't reflect strong & consistent earnings growth



- ✓ Stable P/E multiple despite double-digit EPS-growth
- ✓ EPS guidance implies >11% annual EPS growth until 2027e
- ✓ DT ROCE +50% by 2027e expected
- ✓ Attractive shareholder returns (€0.90 dividend for 2024, ≥€2 bn SBB in 2025e)

Source: Company filings, Selected equity research reports; Capital IQ as of October 4th, 2024

Notes: ¹ DT ex US valuation calculated as DT market cap minus market value of DT TMUS holding, no adjustments for asset sales; ² Based on adj. EPS as reported, CAGR, 2024 (> €1.75) and 2027e (> €2.5) based on DT guidance; ³ 2010 as per Bernstein Research (16-Jul-2020); Today as per October 4th, 2024

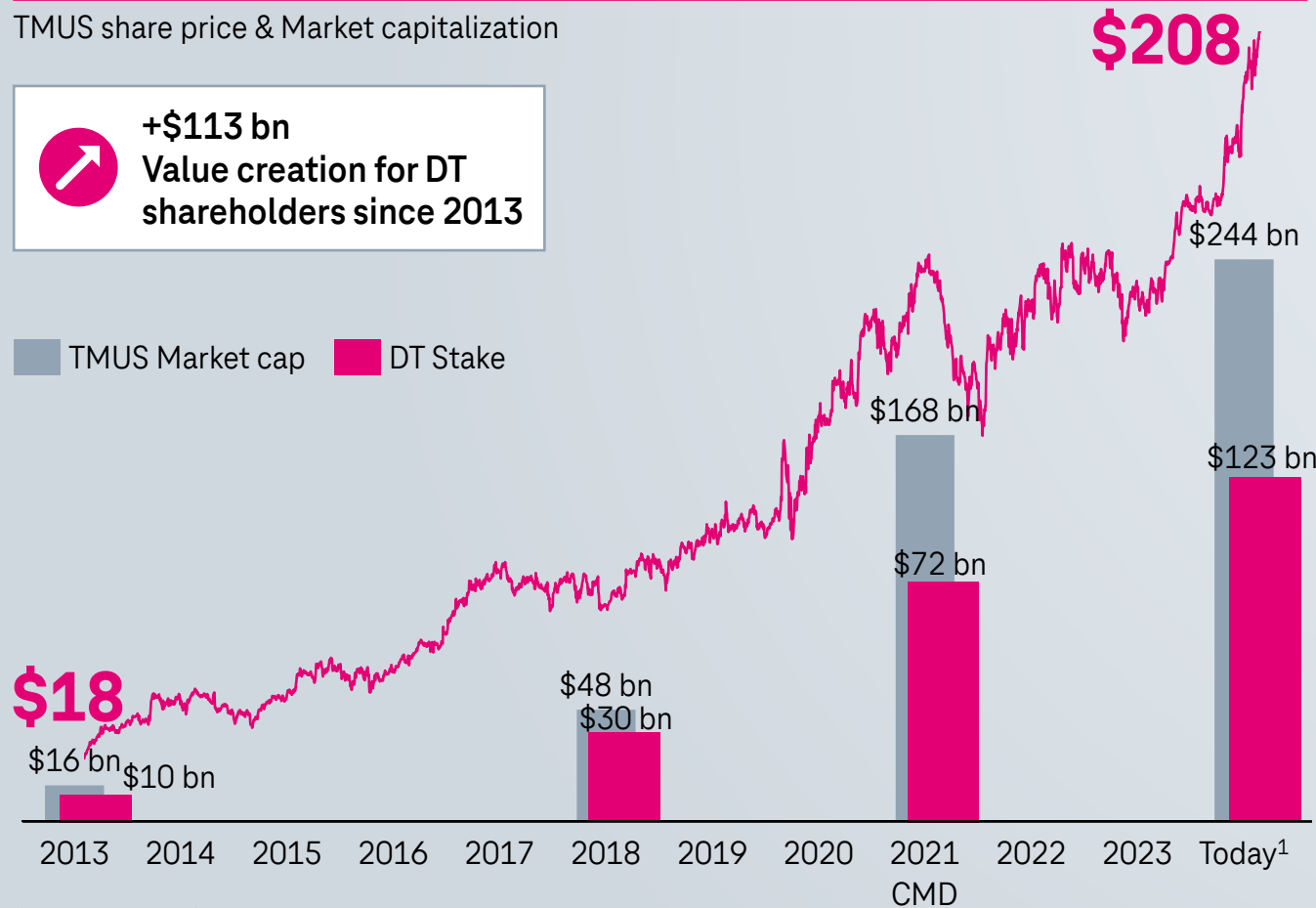




TMUS' unmatched value creation to be continued

Significant value creation

TMUS share price & Market capitalization



¹ As of October 4th, 2024

Supported by portfolio development

- 2024+** **From Challenger to Champion**
 - Extending network leadership
 - Exploit best network – rural/B2B
 - Leading in Broadband growth & new businesses
- 2018–2023** **Sprint Merger & Integration**
 - > \$70 bn of synergies realized from Sprint deal
 - Pioneering FWA
 - Clear growth leader
- 2013–2017** **Significant Investment Program**
 - Un-Carrier strategy
 - Network and spectrum investments
- 2011–2013** **Self-supported Scale**
 - Break-fee (\$3 bn cash, spectrum)
 - Tower sale \$2.5 bn & MetroPCS reverse merger
- 2008–2010** **Shrinking Business**
 - Worst mobile network in the US/customer loss
 - TMUS as biggest overhang on DT stock





Multiple investment opportunities in attractive US market

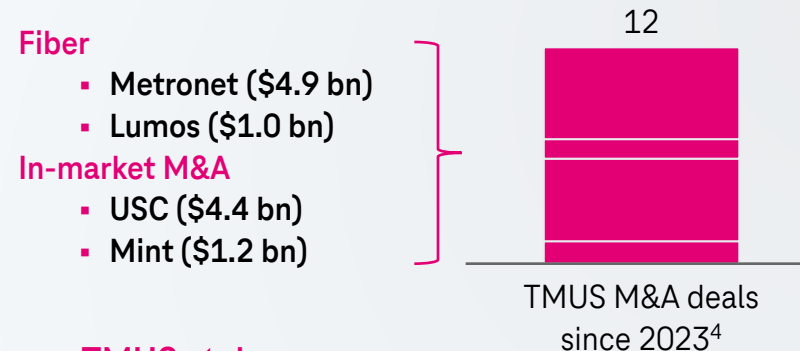
Attractive US Market & TMUS position

- ✓ Single 330 mn PoP market
- ✓ Mobile ARPU >\$50¹
- ✓ Broadband ARPU >\$65²
- ✓ Low fragmentation
- ✓ Favorable spectrum regulation
- ✓ TMUS is the #1 Telco in the US
- ✓ EBITDA growth of 7% per year³
- ✓ Best network, best value, best brand



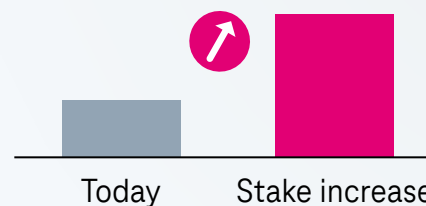
TMUS inorganic investments

\$ bn

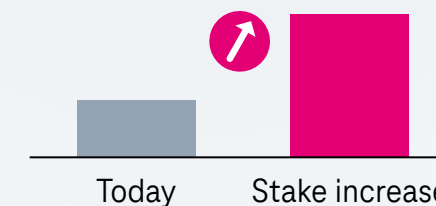


Increase TMUS stake

EPS accretion



pFCF/share accretion



- TMUS with 8% FCF growth guidance & 7% dividend and SBB yield⁵
- DT stake accretion with attractive DT EPS / prop. FCF accretion

¹ Weighted average of AT&T, Verizon, TMUS ARPUs as per Q2 2024; ² Analysis Mason data as per Q2 2024; ³ Based on TMUS guidance for Core Adjusted EBITDA CAGR 2023-2027; ⁴ Lumos, US Cellular and Metronet transactions pending regulatory/antitrust clearance; ⁵ Based \$50 bn announced shareholder remuneration volume until 2027, 1.172 bn TMUS shares outstanding and \$208 current share price. Note: pFCF refers to proportionate FCF

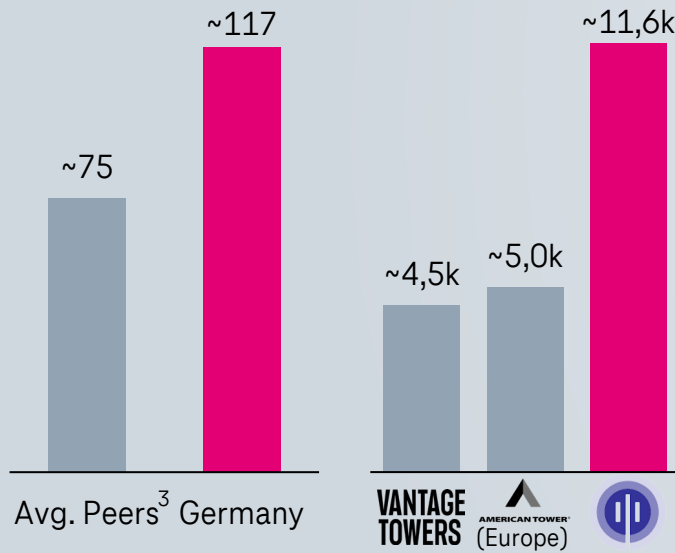




GD Towers: Outperforming & “Kingmaker Asset”

Leader in the best EU tower market

Mobile connections¹, mn | Ground based towers in GER²

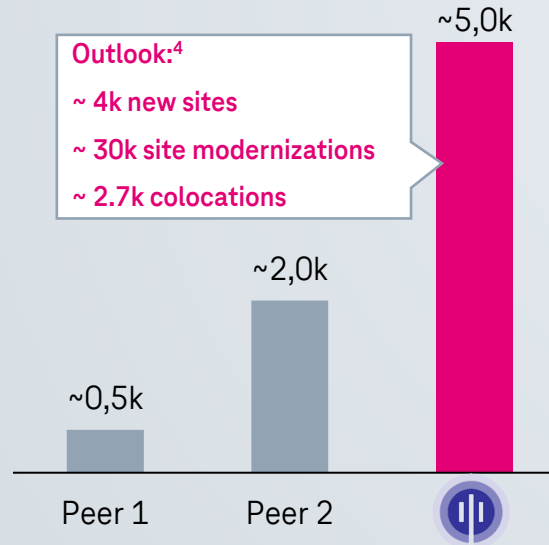


✓ Tier 1 tenants



#1 builder of sites in a growing market

Number of new sites (2021-2024e)

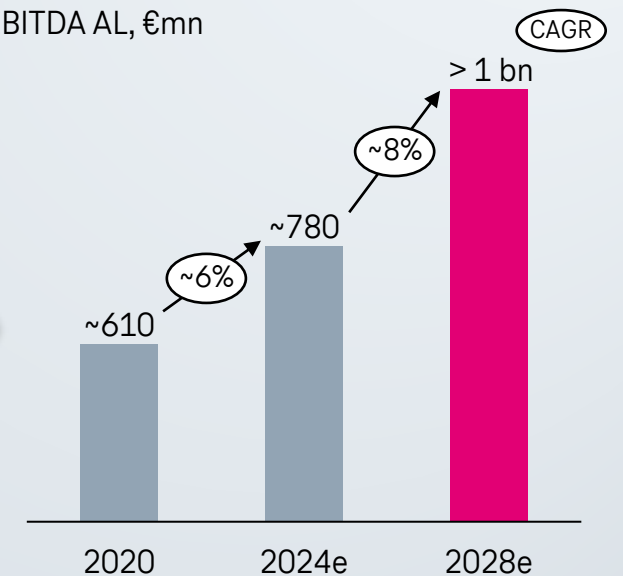


✓ Structural Growth

- 3.6 GHz deployment, network modernization
- Coverage obligations
- 4 mobile operators

Strong growth, outperforming plan

Adj. EBITDA AL, €mn



✓ Outperforming business plan

- Brookfield/ Digital Bridge adding significant value
- Significant focus of MNOs in Germany on network optimization

Source: Analysys Mason, TowerXchange; Company filings, management estimates; ¹ Analysys Mason data as per Q2 2024; ² TowerXchange data as per Q2 2024; ³ Avg. of France, UK, Italy, Spain; ⁴ Outlook 2025-2028e

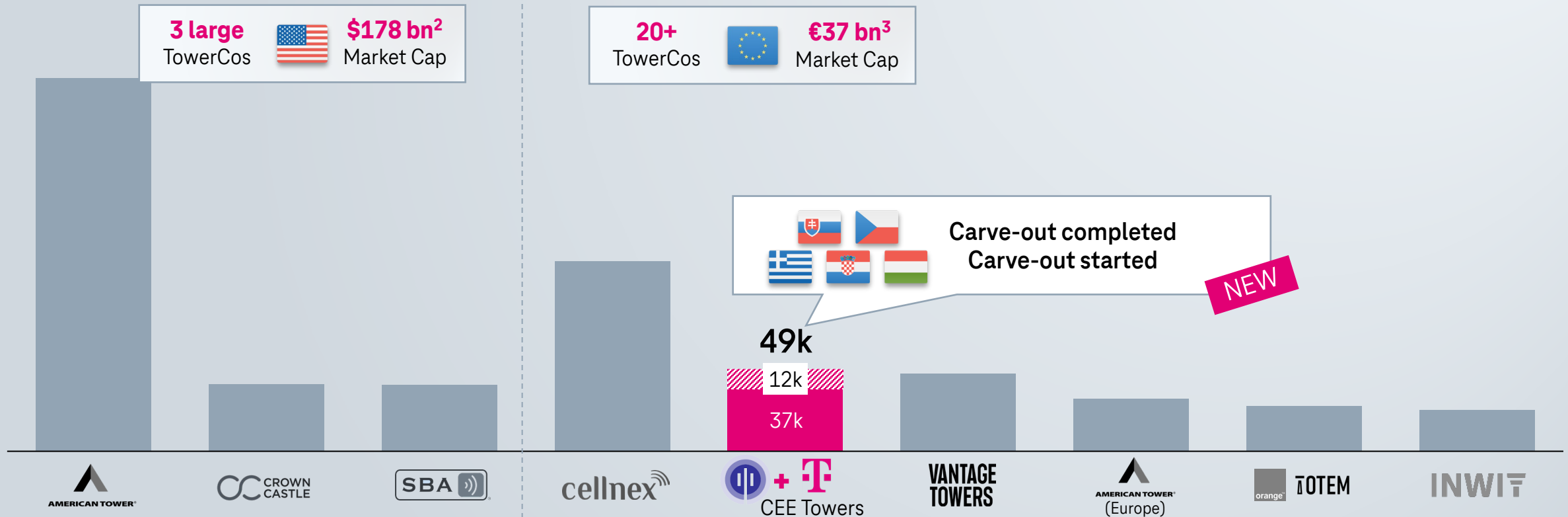




Strategic optionality for EU Tower consolidation – “Kingmaker Asset”

Strategic optionality – Creation of 2nd largest EU TowerCo

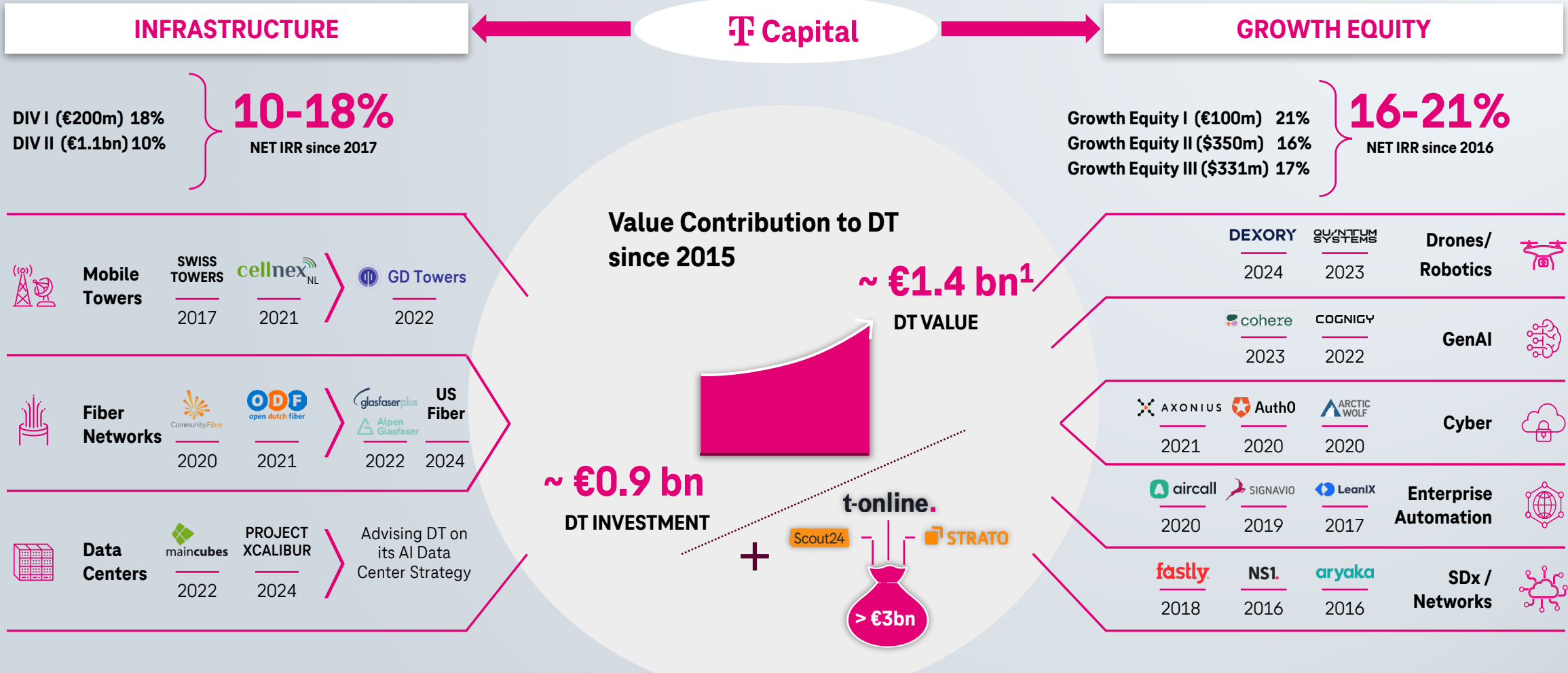
TowerCos, number of sites¹



Source: Company filings, Analysys Mason, TowerXchange, management estimates, Capital IQ; ¹ Vantage figures excl. INWIT and Cornerstone; ² Reflects market cap as of October 4th, 2024; ³ Reflects market cap as of October 4th, 2024 of Cellnex, Inwit and EuroTeleSites. Other TowerCos privately owned



T-Capital has supported our core business while generating attractive financial returns



¹ €0.6bn realized, €0.8bn fair market value

50+ investments made

Tech Fund launched on the back of an existing track record and strong capabilities in technology investing

The right time for DT to create a „Tech Fund”

UNIQUE SCALE IN AN INCREASINGLY DIGITAL WORLD

(~ 300 MN CUSTOMERS IN EU AND US)



UNPRECEDENTED TECHNOLOGY EVOLUTION

INORGANIC INVESTMENTS AS ACCELERATORS OF THE “DIGITAL TELCO”



PROVEN TRACK RECORD IN TECH AND GROWTH INVESTMENTS

ATTRACTIVE RETURNS THROUGH THE CYCLE SINCE 2016



FINANCIAL HEADROOM TO INVEST

WHEN OTHER TELCOS ARE CONSTRAINED

DT Tech Fund key parameters

€2 bn

Focus Ticket Size: €50 – 300 mn

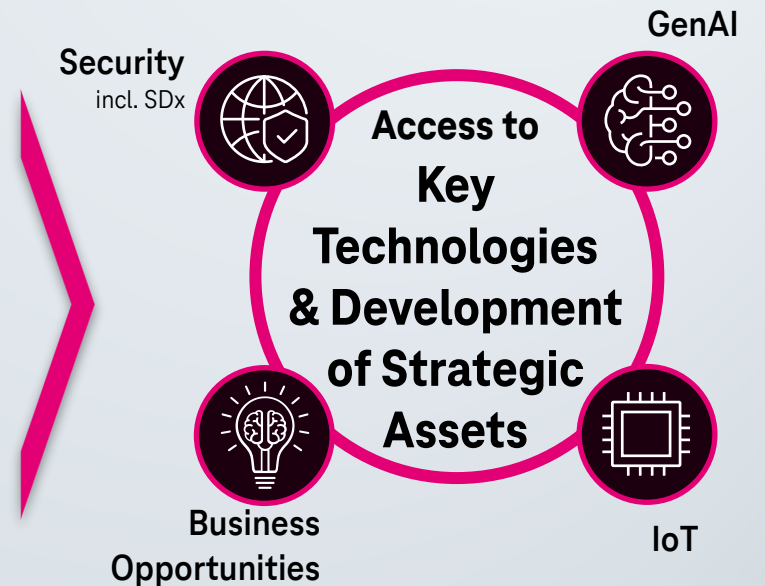
NARROW & STRATEGIC FOCUS ON SAAS, AI, IOT

5 YEARS – FLEXIBLE DEPLOYMENT

SIGNIFICANT INFLUENCE (TARGET > 25% STAKE)

GEOGRAPHIC FOCUS: EU & US

“SHARE THE GAIN, SHARE THE PAIN”



“Heilbad” no “Landgrab”

GROW	CREATE	GROW	OPTIONALITY	ACCUMULATE/INCREASE
				<p>DT SBB vs. TMUS stake increase</p>

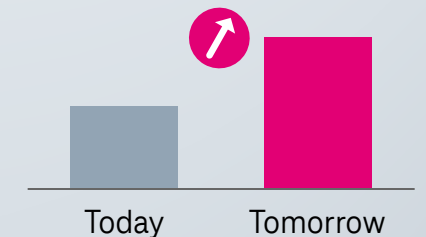
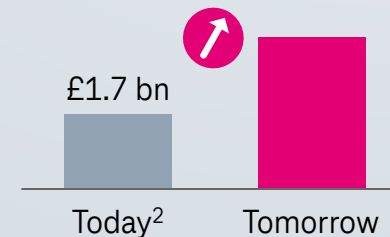
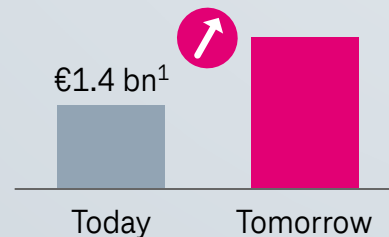
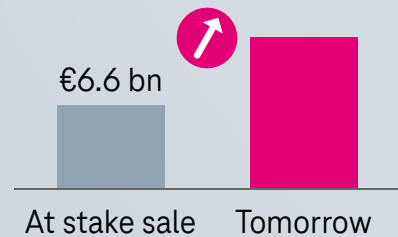
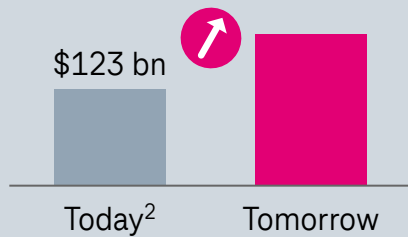
- ✓ #1 asset in an attractive market
- ✓ Various growth areas
- ✓ ROCE > WACC investment opportunities
- ✓ Invested \$12 bn in M&A in 18 months

- ✓ Attractive market fundamentals in Germany
- ✓ DT CEE Tower carve-out to position for consolidation
- ✓ Kingmaker asset for EU Tower consolidation

- ✓ Best in class team with proven track record
- ✓ Leverage T-Capital expertise and DT’s unique scale to invest in emerging growth adjacencies
- ✓ Set up €2 bn strategic DT Tech Fund

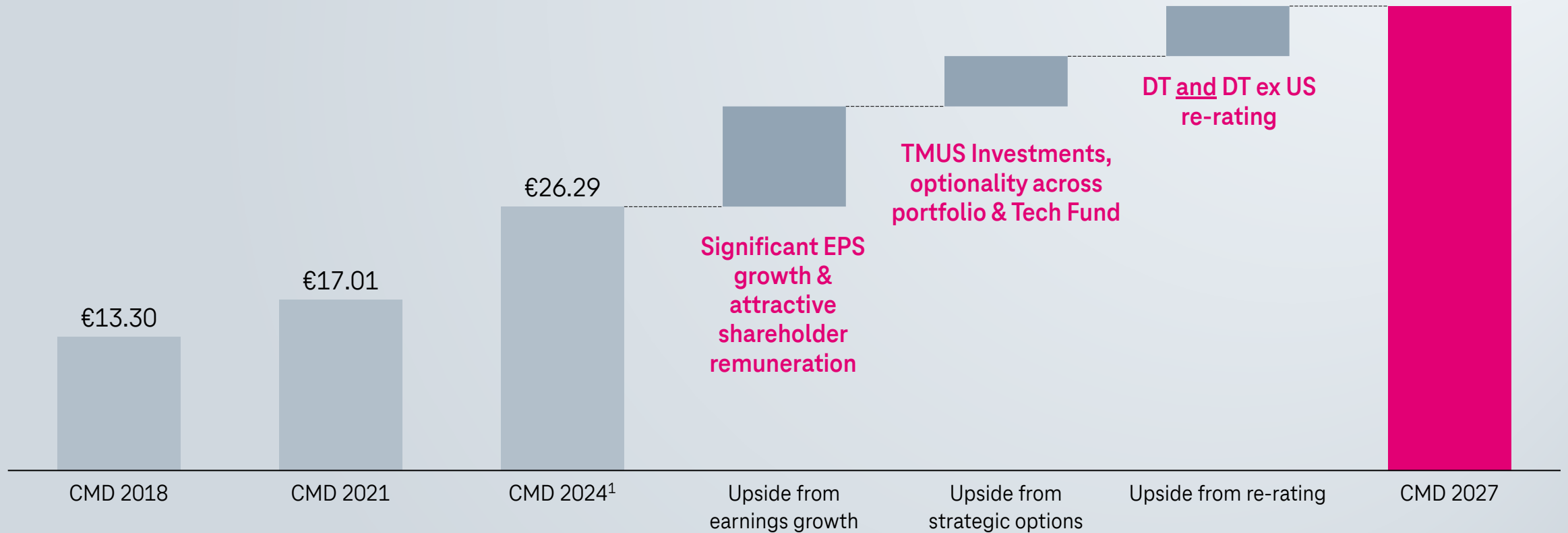
- ✓ Asset attracting renowned Telco investors
- ✓ Constant review for further value creation

- ✓ TMUS stake increase highly EPS and pFCF/share accretive
- ✓ DT SBB as alternative to drive shareholder value
- ✓ IRR of these options as the “floor” for all other investments



¹ Value to DT: €0.6 bn realized, €0.8 bn fair market value; ² As of October 4th, 2024. Note pFCF refers to proportionate FCF.

We won't stop!



¹ As of October 4th, 2024

Note: Indicative and does not indicate any real value potential

