

CAPITAL
MARKETS
DAY 2024

#DTCMD24

Europe

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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 – we delivered and will continue our growth story

01

Fastest-growing European Telco

We grew our Market share in all product categories and our revenues by ~ +3.8%¹. By relentlessly transforming our business, we generated ~ €0.3 bn Gross savings, which contributed to our superior profitable growth of ~ +4.5%¹ in adj. EBITDA AL.

02

Superior financial results and strong equity value

We will grow adj. EBITDA AL by ~ +4–5%² while improving our ROCE to ~ 10%.

03

B2C and B2B growth engine

We will win in the market by offering the best Customer experience with #1 in TRI*M.

This will allow us to further grow our Service revenues by ~ +2.5–3%².

04

Transformation via data and AI for next-generation CX and further efficiency

We will embrace data and AI and further decrease IDC/Service revenues³ by 2–3 pp. We will accelerate our digitalization and cloudification with > 70% NT/IT workloads cloudified, a stable ITR⁴ of ~ 4% and increase our chat share to ~ 30%⁵.

05

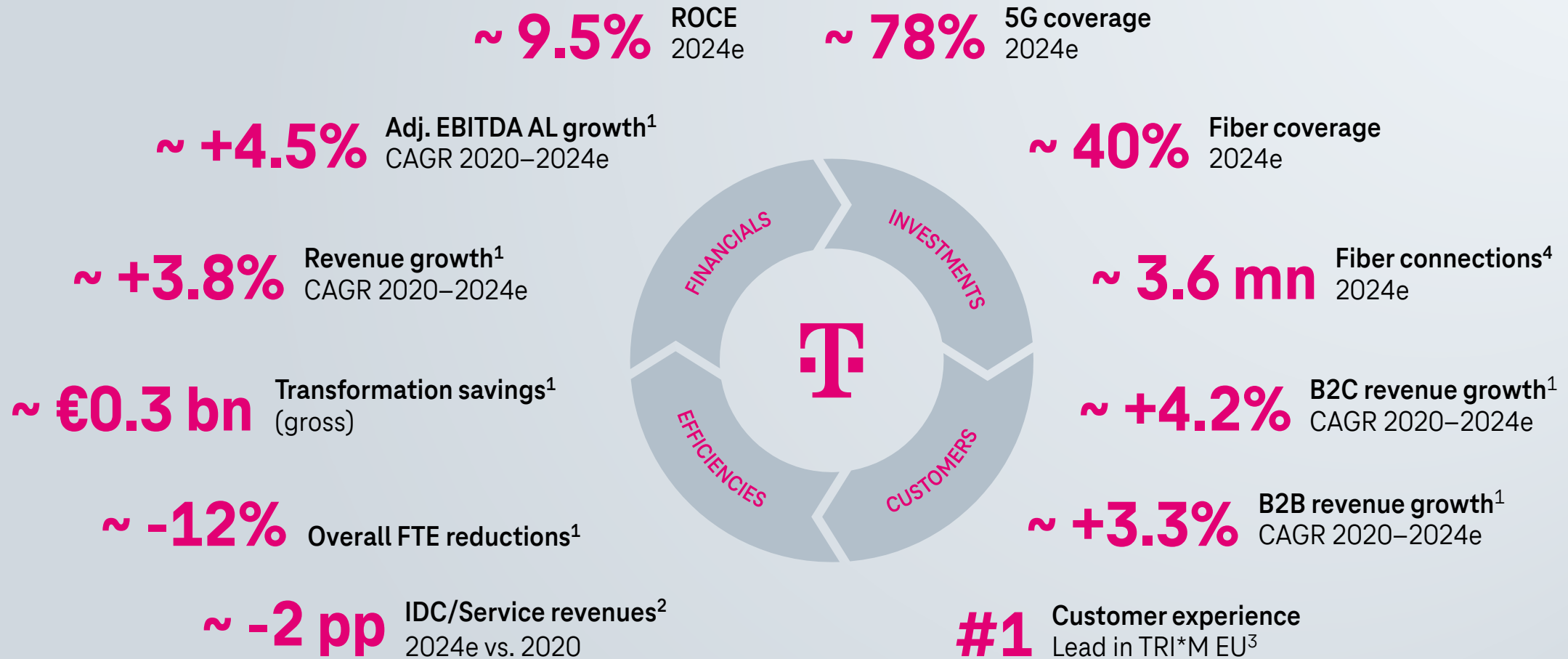
Synergies and scale across EU countries and DT Group

We will leverage global platforms, scale common products and best practices as well as implement a common network operation model.

¹ CAGR 2020–2024e; ² CAGR 2023–2027; ³ External adj IDC AL as % of Service revenues, organic, excl. HU Telco tax; ⁴ IT spend per Total revenues excl. ICT; ⁵ B2C, excl. RO

Review 2020–2024e

Our Flywheel has worked, we delivered on our promises



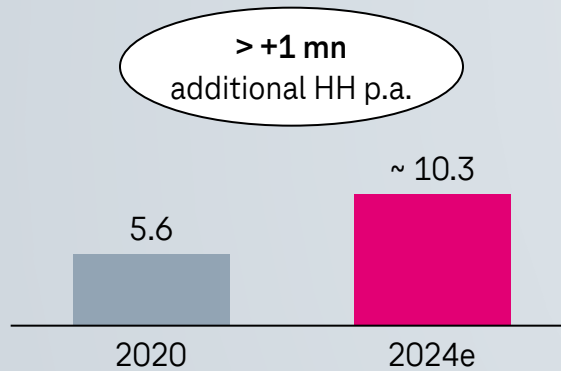
¹Organic; ² External adj. IDC AL as % of Service revenues, organic, excl. HU Telco tax; ³ #1 in 8 out of 9 countries in B2C, 12M avg. as of Q2 2024; ⁴ FTTH/B & Docsis 3.1 (1 Gbps) incl. own, funded and partner rollout, but excl. wholebuy



We prioritized investments in Fiber and 5G for best network experience

1 Gbps Fiber rollout¹

Homes passed, mn



Utilization **30%** ~ **35%**

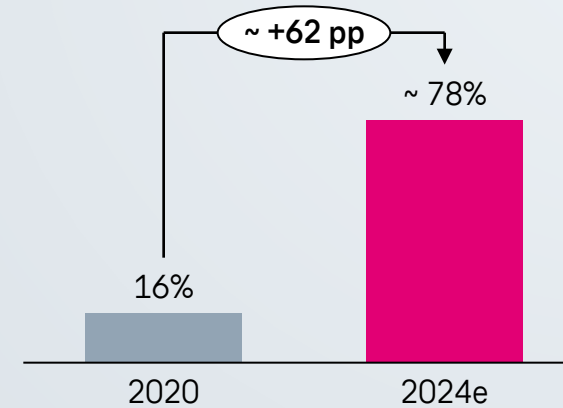
Coverage **24%** ~ **40%**

CMD 2021 ambition:
40% Coverage
33% Utilization rate



5G population coverage²

%



- **5G standalone** commercially launched in Greece and planned in Hungary in 2024
- **3G retirement completed** by end of 2024 in all countries

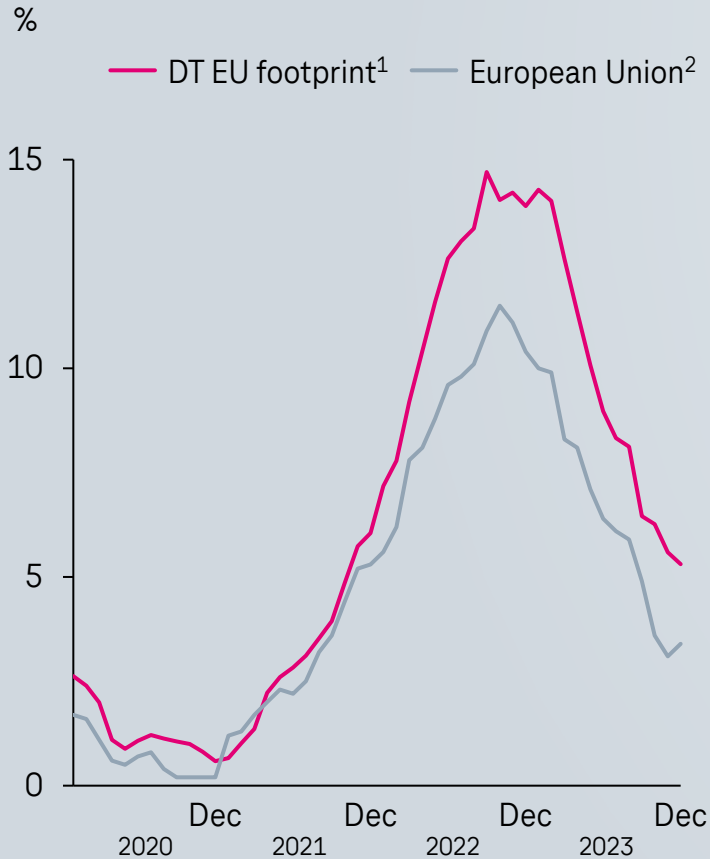
CMD 2021 ambition:
> 75% Coverage



¹ FTTH/B & Docsis 3.1 (1 Gbps) incl. own, funded and partner rollout, but excl. wholebuy; ² Excl. RO

We took the right decisions to balance value and volume growth

Inflation



Balancing value and volume



Mobile: Driving value with **pre-to-post migrations** and **targeted upgrades** in base
Fixed: Upgrade to **higher speeds**



Continuous focus on **FMC³**:
 Growth in **volumes**, build-up of more services for **deep-sell**



Smart execution of **CPI⁴-based price increases**, not at the expense of Net Promotor Score or churn

Growth across products





mn, organic

	2020 vs 2024e		
Mobile contracts	24.9	27.9	Market share 2023 ⁵ 31%
Broadband	6.0	7.3	Market share 2023 26%
FMC³ households	2.7	4.2	FMC HH as % of BB 2024e ~ 55%
TV	3.8	4.4	Market share 2023 16%





¹ Inflation displayed as weighted average of DT EU footprint; Source: IMF; ² Source: Eurostat; ³ Fixed-mobile convergence; ⁴ Consumer-price index; ⁵ Excl. RO

We scaled digital solutions for superior customer value & transformation

Superior customer value¹

	2020	2024e
 OneApp penetration	62%	~ 73%
 Chat share ²	10% ³	~ 22%
 eSales share	13%	~ 19%
 Agent care contacts per RGU ⁴	0.7 ³	~ 0.4

Transformation & efficiency

	2020	2024e
 Cloudification of IT & NT workloads	IT: < 3% NT: 7%	IT: ~ 40% NT: ~ 44%
 Retirement of IT legacy applications	0 apps retired	~ 400 apps retired
 IT time-to-market for business demands	75 days	~ 30 days
 Truck rolls ⁵ per 100 customers	34	~ 23

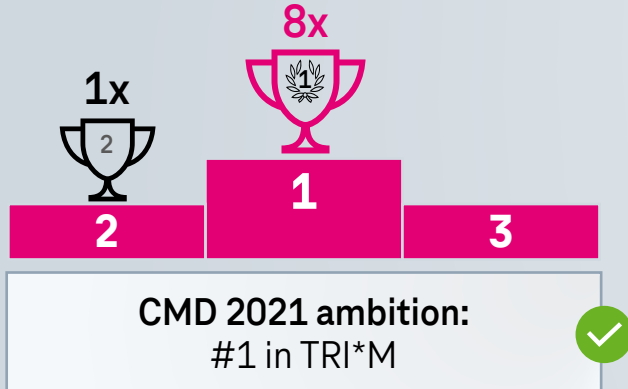
¹ B2C; ² Excl. RO; ³ 2022; ⁴ Revenue generating unit; ⁵ Technical service agent physically visits customer at their premises or street cabinets, etc.

We have won the hearts of our customers and employees...

Customer experience¹

TRI*M

12M avg.
as of Q2 2024



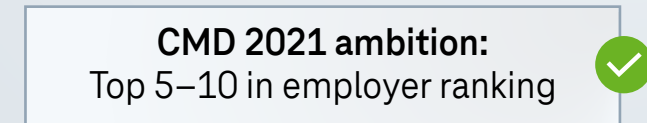
Employee experience



Top 5–10 employer of choice in all countries³

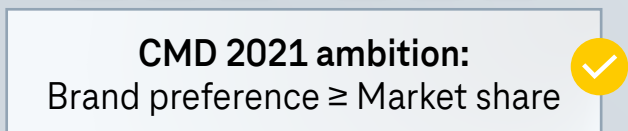


Employee satisfaction: 82%

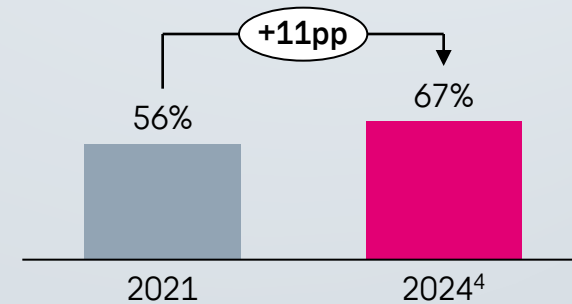


Brand preference²

Q1 2024
≥ Market share



Employee survey: “I see motivating development opportunities for my career in our company” approval rating



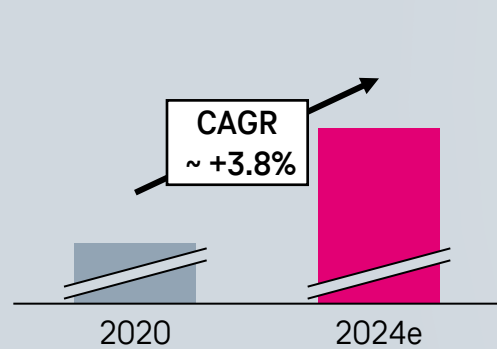
¹ B2C excl. RO; ² Brand preference: quarterly IBT study, indicating which brand respondents would select if they were to choose new provider. Additionally, we index against our Market share to identify potential health of our brand. Index >1 as high likelihood to gain Market share; ³ Excl. ME, MK & RO due to country size; ⁴ Result from May 2024 employee survey



...to deliver superior profitability and equity value despite inflation

Total revenues

€ bn, organic



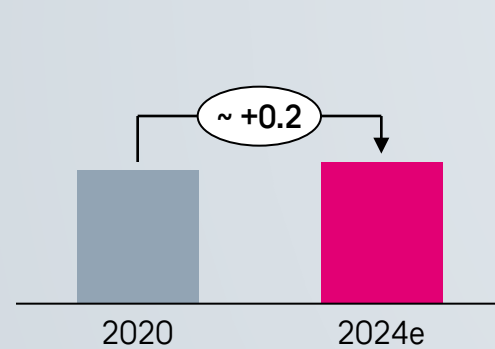
B2C revenues **+4.2%**¹
B2B revenues **+3.3%**¹

CMD 2021 ambition:
CAGR >1%²



IDC AL³

€ bn, organic



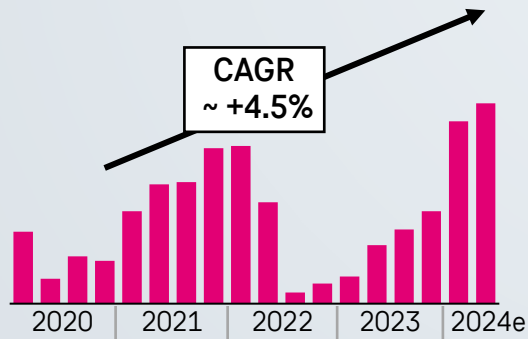
IDC/Service revenues⁴
improved from **36%** to **~ 34%**

CMD 2021 ambition:
Reduction by €0.3 bn



Adj. EBITDA AL

%, organic yoy



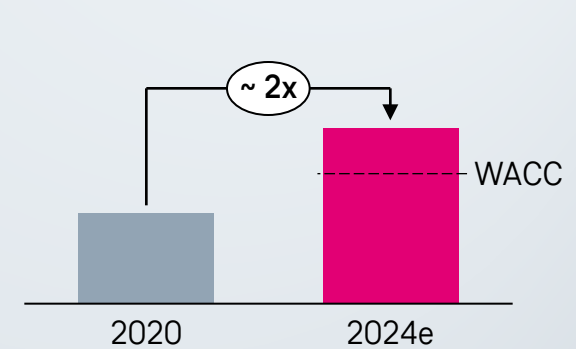
26 quarters of consecutive
EBITDA growth!

CMD 2021 ambition:
CAGR 1.5–2.5%



Capital efficiency (ROCE)

%



ROCE almost doubled!

CMD 2021 ambition:
ROCE > WACC



¹ CAGR 2020–2024e; ² Adjusted for MTR: CAGR 2020–2024e: +4.6%; ³ External adj. IDC AL, excl. HU Telco tax; ⁴ External adj. IDC AL as % of Service revenues, organic, excl. HU Telco tax

CMD 2021 ambition: we mostly overdelivered on our promises

KPI	Time frame	Ambition	Achievements 2024e ⁶	
Customer satisfaction	2024e	#1 in TRI*M in all markets & Brand preference \geq Market share in all countries	8 x #1, 1 x #2 ¹	✓
Employer ranking	2024e	Top 5–10 in employer ranking in all countries	In Top 5–10 employers of choice in every country ²	✓
5G coverage	2024e	> 75%	~ 78%	✓
Fiber ³ coverage	2024e	40%	~ 40%	✓
Fiber ³ connections	2024e	> 3 mn	~ 3.6 mn	✓
Revenue	2020–2024e	CAGR ⁴ > 1%	CAGR ~ +3.8%	✓
Adj. EBITDA AL	2020–2024e	CAGR +1.5–2.5%	CAGR ~ +4.5%	✓
Adj. IDC AL ⁵	2020–2024e	Reduction by €0.3 bn	Increase of ~ €0.2 bn ⁵	✗
Cash Capex	2020–2024e	stable	slight increase	✓
ROCE	2021–2024e	further increasing, ROCE > WACC	~ 9.5%	✓

¹ B2C excl. RO; 12M avg. as of Q2 2024; ² Excl. ME, MK & RO due to country size; ³ FTTH/B & Docsis 3.1 (1 Gbps) incl. own, funded and partner rollout, but excl. wholesale;

⁴ Adjusted for MTR: CAGR 2020–2024e: +4.6%; ⁵ External adj. IDC AL, excl. HU Telco tax; ⁶ All CAGR organic

Strategy 2023–2027

We are one of the leading and fastest growing European Telcos...

2023 FINANCIALS



Revenues:
€11.8 bn



Adj. EBITDA AL:
€4.1 bn



Cash contribution¹:
€2.3 bn



2027 AMBITION



Service revenue CAGR
2023–2027e:
+2.5–3%



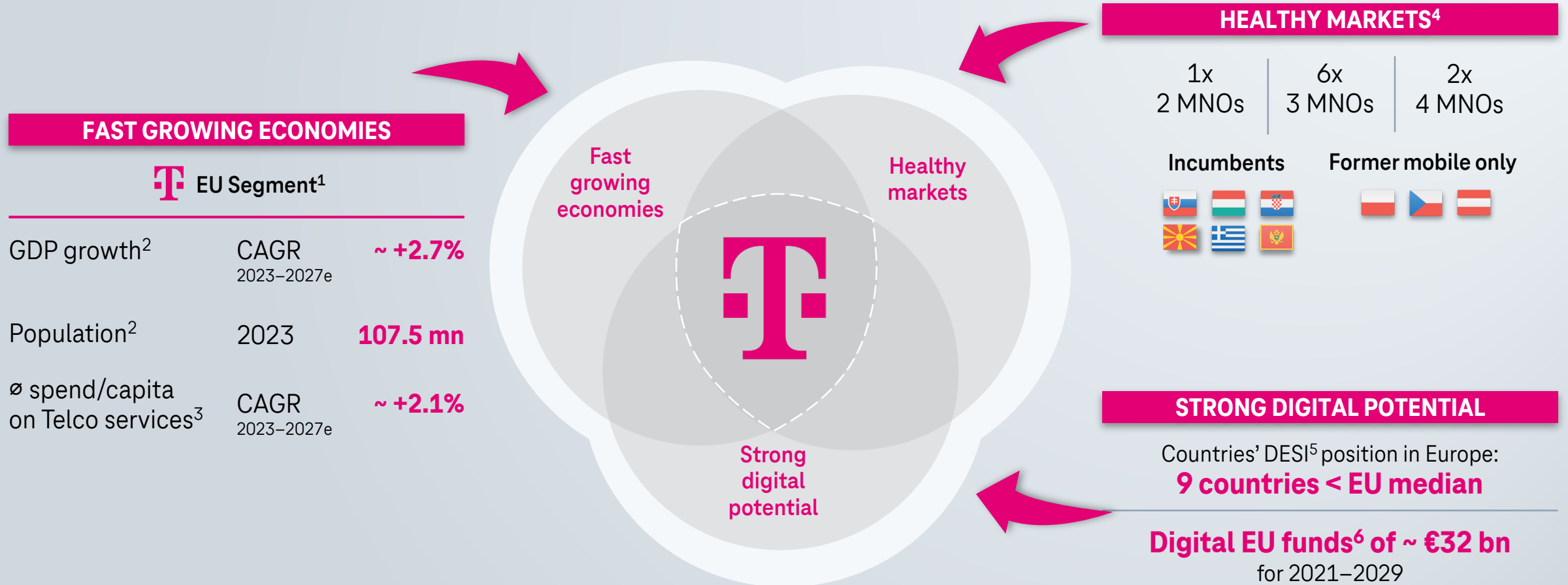
Adj. EBITDA AL CAGR
2023–2027e:
+4–5%



Cash contribution¹ CAGR
2023–2027e:
+4–5%

¹ Cash contribution AL = Adj. EBITDA AL – Cash Capex – Special factors (Cash); ² RO under review

...operating in healthy markets with further growth potential



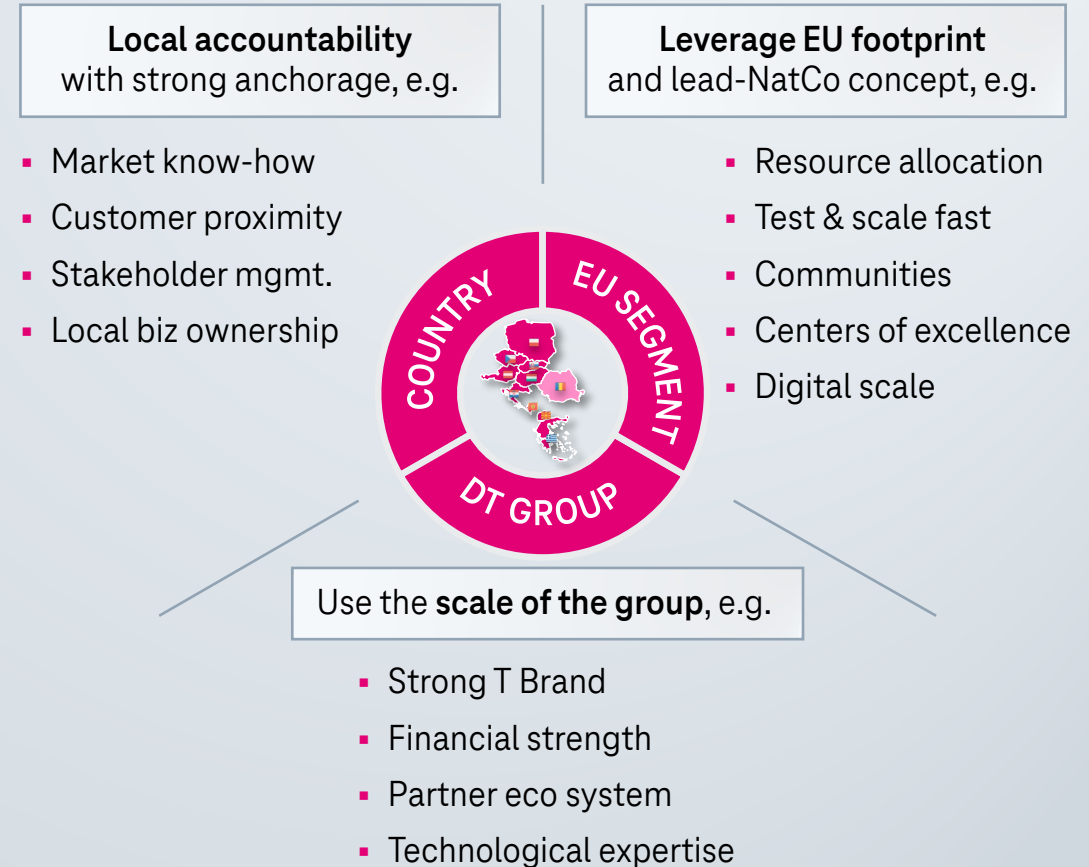
¹ Weighted averages of all 10 NatCo countries; ² Source: IMF; ³ Telco services incl. Mobile Data, Mobile Voice, Fixed Data & Fixed Voice; Source: Statista; ⁴ Excl. RO; ⁵ DESI = Digital Economy & Society Index 2022; ⁶ Incl. B2B digitalization, infrastructure and R&D&I

Our strong execution & distinctive governance make us unique

STRONG EXECUTION



DISTINCTIVE GOVERNANCE



Our strategy is working – we will accelerate it



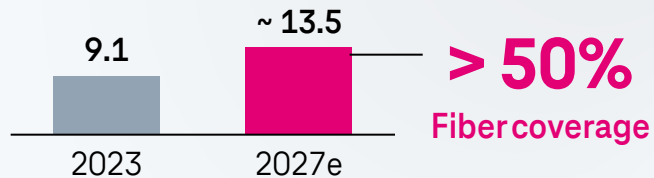
Prioritize investments into a superior, fixed broadband experience...



Strong Fiber¹ execution




Continue fast **Fiber build-out** where we are incumbent...

Fiber homes passed in mn HH: **+1 mn HHp p.a.**



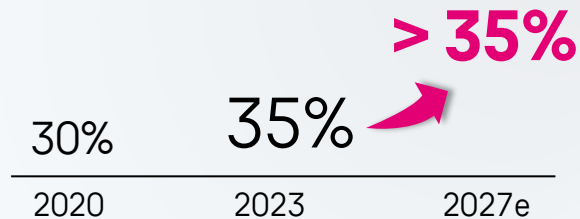
... and leverage **partnerships** where we are fixed challengers



-  Reciprocal partnerships
-  Joint ventures
-  Wholebuy

Great economics

Further increase high **utilization rate**



Continue to deliver superior **return-on-invest & payback periods**



- Payback periods of **10–15 years**


Product upgrades

Modernize **CPEs²** for next-gen home experience



-  **WiFi 6**
> 40% higher pNPS³ vs WiFi 4/5

-  **Mesh**
Superior WiFi coverage in every room

-  **Digital router management**
Already 62%⁴ of routers controllable via OneApp

¹ FTTH/B & Docsis 3.1 (1 Gbps) incl. own, funded and partner rollout, but excl. wholebuy; ² Customer premises equipment, e.g. routers; ³ Product Net Promotor Score, August 2024;

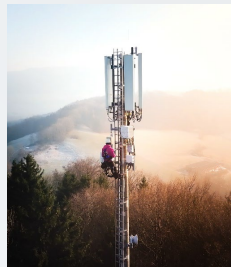
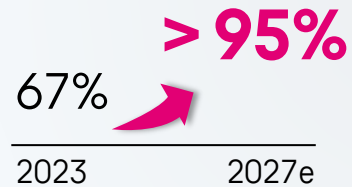
⁴ 2023 YE, legacy and RDK-enabled routers as % of B2C Broadband customer base

...and into our leading, 5G-powered mobile network



Best 5G network

Continue fast 5G coverage¹ increase



Future-ready

Further modernize mobile network

- Enable **next-gen mobile network technologies**, e.g. Open RAN & New Radio rollout
- Create basis for **machine-learning**-based mobile network optimization



Customer-driven

Start **customer-driven network design** based on new **NW CX index**

Customer network experience index (CXI) representing perceived network performance on individual customer level across EU.



- Provides additional insights to focus our **network investments**
- Reduces **customer complaints**
- Input to optimize **churn prevention**

First step into **full Customer experience management**

Push **5G standalone & C-band** rollout



- New **business models** incl. **monetization of network quality**, FWA² & high capacity

Initiate **2G roaming/retirement**



- Overall potential of **44,200+** 2G sites to retire across EU footprint

¹ Outdoor population coverage excl. RO; ² Fixed Wireless Access

Fuel growth in B2C through a superior CX & next-gen propositions



Four areas to ensure B2C growth and best Customer experience



Mobile

Grow mobile with **more for more tariff upgrades** and **targeted propositions**



Home Experience

Scale fixed-mobile convergence with **next-gen home experience**



Data & AI

Data & AI for more **contextualized & personalized CX** & future-ready **sales and care channels**



Engagement & innovation

Drive customer engagement with **Magenta Moments** at scale & **service innovations**

¹ Excl. RO; ² Organic

Ambitions B2C 2027e

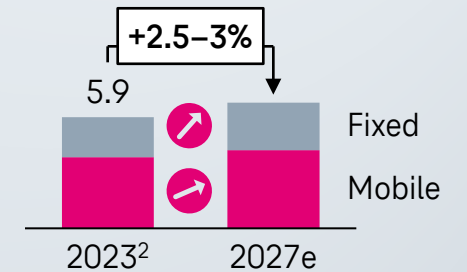
#1

TRI*M in all countries¹



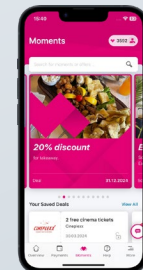
+2.5–3%

Service revenue CAGR



10 mn

Magenta Moments customers¹



Deliver a great mobile experience & further enhance connectivity



Achievements

~ **+3.2%**

Mobile contract customers¹

+4.6%

Mobile contract gross adds
ARPU excl. MTR cut²

Future

Improve quality of mobile experience

5G Fixed Wireless Access...

for reliable & high-speed internet in non-fiber areas

5G standalone & network slicing...

with mobile gaming, video calling, in-venue experiences, influencer use case: Live broadcaster package

Match the needs of our customers by offering more segmented, enriched portfolios

Family offers

Hardware bundles, travel insurance, internet security, OTT TV



Young offers

No-frills proposition, do-it-yourself logic, digital journey, e-commerce benefits



Easy onboarding of new users and devices through eSIM

Fast setup of smart wearables & household devices and tourist-market play outside of Europe

¹ CAGR 2020–2024e; ² CAGR 2020–06/2024 (excl. RO and AT)

Use our strong FMC position to deliver a next-gen home experience



Achievements

~ 4.2 mn

FMC households¹

~ +13.7%

FMC revenues²

~ 4.2

Revenue generating units
per FMC household¹

~ 55%

FMC penetration on
fixed broadband¹

Future

We are expanding our **gigabit network** to ensure high-speed connectivity for everyone by...

- Continuing **Fiber** rollout
- Leveraging our **devices**, e.g. mesh

We deliver a **next-gen experience** by offering tailored propositions based on HH insights³



CORE CONNECTIVITY

DIGITAL SERVICES

DEVICE SERVICES

PROTECTION

We elevate our **TV platform** via advanced content aggregation & provide a seamless viewing experience

- Tailor-made, **super-aggregated content** with **single interface**
- **Common TV product ecosystem** leveraging economies of scale

¹ 2024e; ² CAGR 2020–2024e; ³ HU example of a household proposition

Seamless & hyper-personalized interactions powered by data & AI



Achievements¹

~ -35%²

Reduction in non-sales contacts

~ 22%²

Chat share

~ 95%

1st time right in provisioning

Future

Data & AI

Accelerate digital experience and productivity in sales & care channels



- **Automate customer interactions via Gen AI chat and voice bots:** e.g. push beyond current bot share of ~ 64%¹
- **Leverage smart assistant for service agents to increase productivity and service quality:** e.g. further improve ~ 80%¹ first-call-resolution rate
- **Create 360° view on customer journey data:** Seamless omnichannel experience

Provide customer with contextualized offers



- **Combine data, gain new customer insights**
- **Tailor offers & communication to customers' individual contexts and behaviors**

- Best recommendations
- Convenient near-/real-time offers
- Proactive problem resolution
- Communication via preferred channel

¹ 2024e; ² Excl. RO

Engage customers via Magenta Moments & innovative experiences

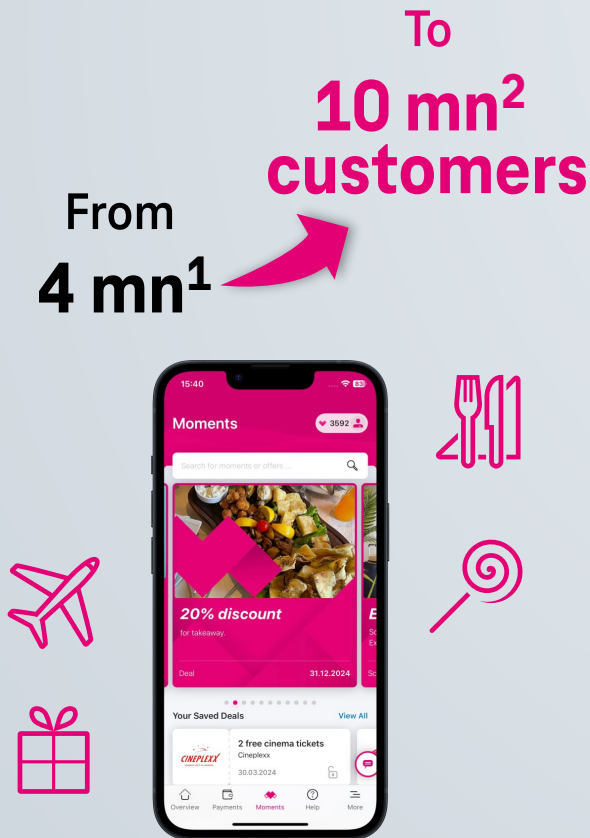


Magenta Moments

We **scale** Magenta Moments and broaden it into a **lifestyle marketplace**

- > Rewards and benefits
- > Lifestyle **discovery, inspiration, value** and **convenience**
- > Opening-up **revenue streams** for monetization in future

- ✓ Campaign fees
- ✓ Commission-based transactions
- ✓ Premium subscription



¹ 06/2024 excl. RO; ² 2027e excl. RO

Innovative experiences

Payzy: Scale in Greece, launch in other countries

- Seamless payments
- **Enabler** for other end-to-end experiences



Insurance: Leverage niche potentials

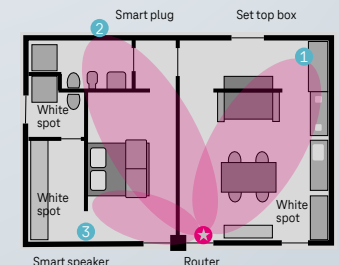
- Cover **unfulfilled** insurance needs
- **Convenience** and **credibility**



WiFi Sensing: Unlock new home-management use cases

Extend home-management within OneApp for new use cases, e.g.

- Elderly care
- Home security



Accelerate digitalization of B2B customers via integrated solutions



Answer specific customer needs for digitalization

- Small & medium business**

“As-a-service” offerings from one single partner
- Enterprise**

Industry-specific & scalable business models
- Public sector**

Digitalize public sector with **EU funds**

Grow beyond connectivity via harmonized portfolio

- Next-gen portfolio**

Next-gen connectivity (SDx), security, cloud, 5G slicing & campus networks
- Leverage cross-country expertise**

B2B **centers of excellence**
- Common brand**

Scale **T Business** identity

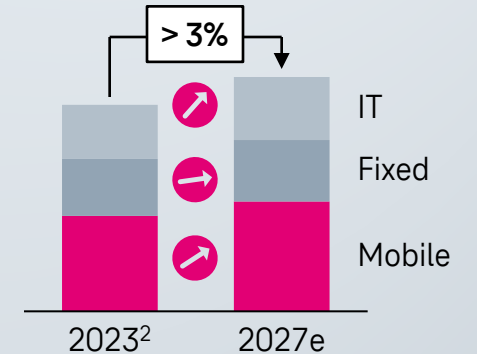
¹ Excl. RO; ² Organic

Ambitions B2B 2027e

#1
TRI*M
in all countries¹



> 3%
Service revenue CAGR



Further accelerate transformation via digitalization & simplification

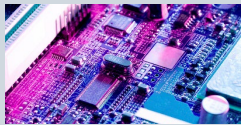


Key areas of transformation for more efficiency and better CX



Simplify **product portfolio**, boost **NT/IT cloudification** and **automation**

Retire **IT legacy** and scale decoupled & cloudified **digital platform services**



Increase efficiency & productivity by **utilizing data & latest AI technology** in the entire company



Further **transform fault-to-repair processes** to reduce end-to-end costs & improve CX



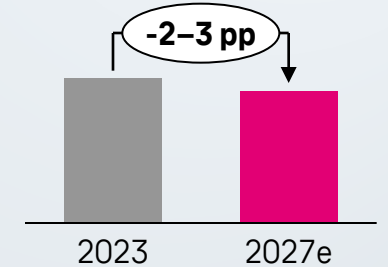
Accelerate **digitalization of sales and care channels** in B2C and B2B



Transformation ambitions 2027

-2-3 pp

IDC/Service revenues²



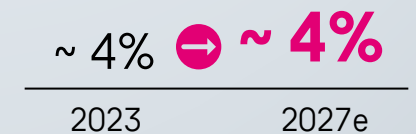
> 70%

NT/IT workloads cloudified



~ 4%

ITR¹ maintained



¹ IT spend per Total revenues excl. ICT; ² External adj. IDC AL as % of Service revenues, organic, excl. HU Telco tax

Embrace data & AI capabilities to become a future-ready company



B2C

Next-best offer



Massive **customer data ingestion**



Offers tailored automatically to customer needs



Learning cycles to improve offer-conversion

Service CX



Bots

GenAI-based **chat and voice bots**



Agent Assist

Smart co-pilot for sales & service agents

B2B

B2B customer-value management



AI-based **lead generation**



AI-driven **NBA¹-engine**



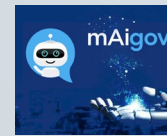
Hyper-personalized offers

AI-as-a-service



IDA

GenAI platform-**as-a-service**



mAlgov & mAI

GenAI assistant for **digital touchpoints** of GR government

Network

Machine-learning network operations



Predictive maintenance

Reduce number of **network-related incidents and outages** through fault prediction



Predictive NPS

Correlate customer- and network data to predict & improve Customer satisfaction

Smart network energy steering



Energy savings

AI-driven optimizations in **all network elements** to **deliver Energy savings of up to 7%**



Energy efficiency

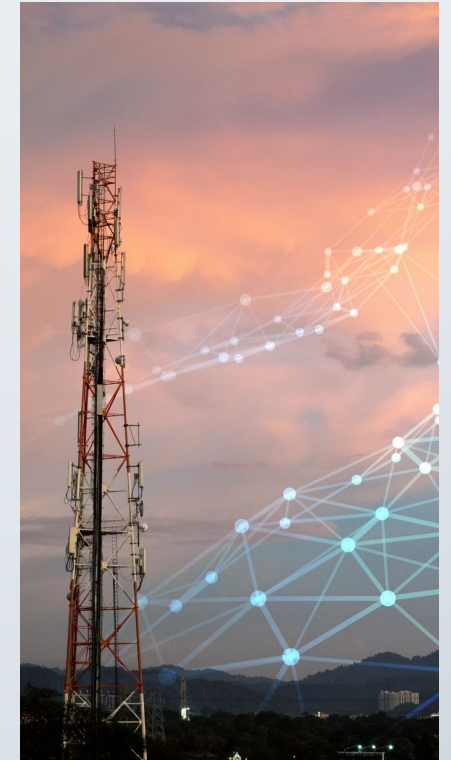
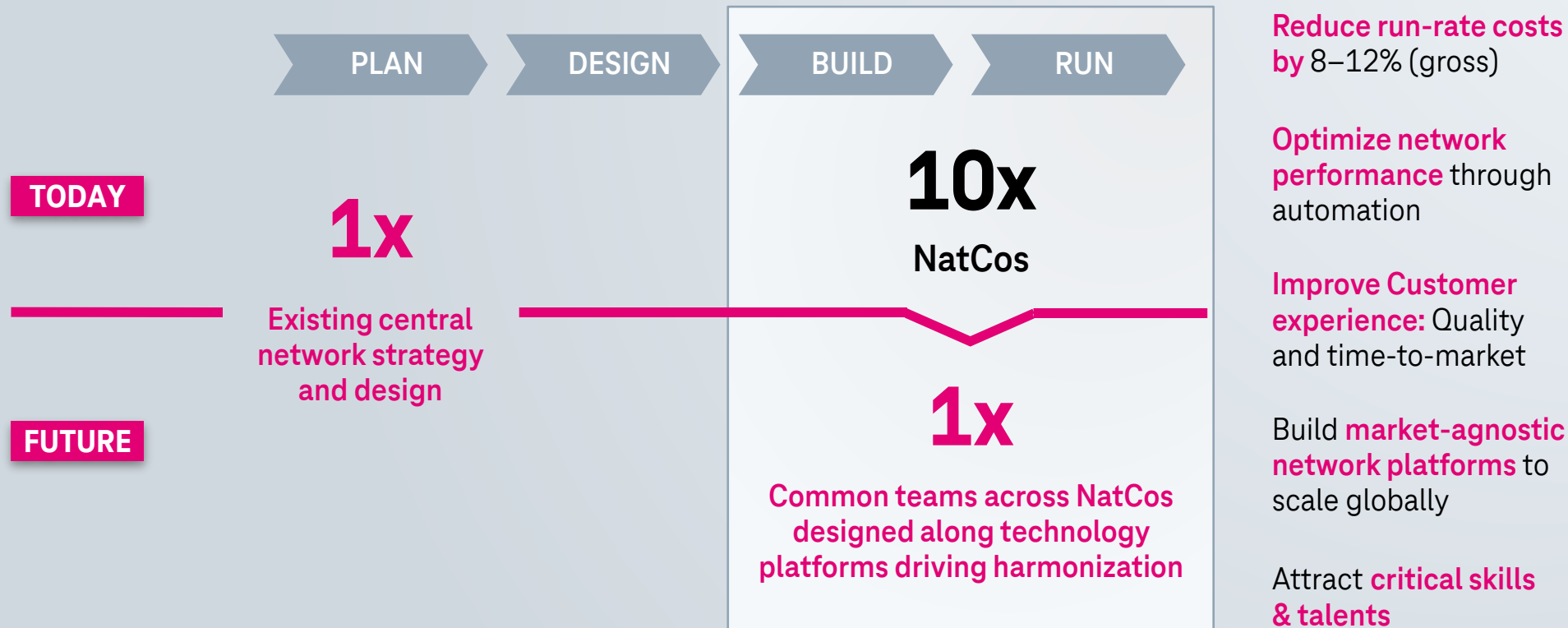
Optimize network **energy efficiency** by tailoring NW settings to **real-time customer usage data**

¹ Next-best action

Leverage scale: Common B2C/B2B platforms & network operations



Example: Common network operating model EU



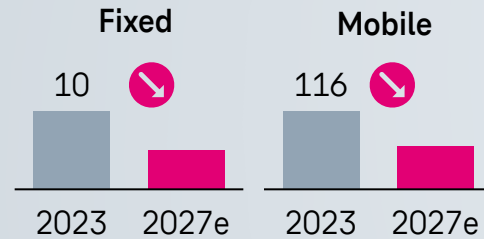
Next to our core business, we are highly focused on ESG topics



ENERGY

Energy Intensity¹

In kWh/TB



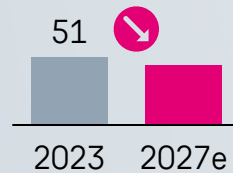
- **Significantly improve efficiency** in fixed and mobile network using less energy per terabyte produced



EMISSIONS

Scope 1 & 2 emissions

In kt CO₂e organic



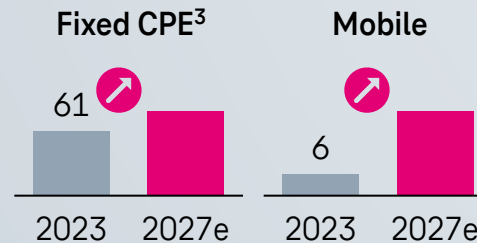
- **Reduce -55% of Scope 1-3 emissions** (2030 vs. 2020) via e-fleet, buildings & reduction of up- & downstream Scope 3 emissions



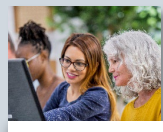
CIRCULARITY

Return ratio

In %



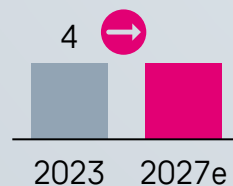
- **Extend lifetime** and **reuse/recycle** across all network equipment & customer device journeys
- Further increase **mobile & fixed return ratio⁴**
- DT EU engaged in all categories of **T Circularity Score**



SOCIAL

Beneficiaries²

In mn



- Be an active voice **against discrimination & hate speech**
- Support **volunteering**, be in forefront of **support in crises**

¹ Ratio Energy Consumption to IP Data Volume; ² Digital inclusion initiatives excl. provision of free WiFi in tourist spaces and crisis mitigation;

³ CPE contains modems, routers, repeaters and TV receivers; ⁴ Switch to new KPI "T Circularity Score" from 2025, measuring progress of DT's full circular approach

**Midterm
ambition level**

2023-2027e: Committed to lead & perform – again!

STRONGER FOUNDATION



SUPERIOR EXECUTION



ACCELERATION



VALUE CREATION



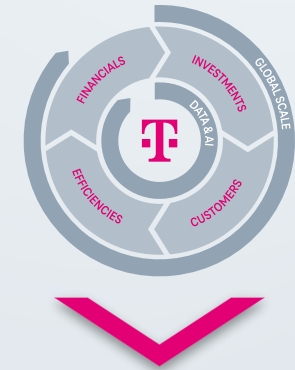
- **Customer**-focused
- Strong **brand**
- Operating in **growing markets**
- **Diverse & international** teams
- Unique **governance**



- Superior **growth track-record**
- Strong **transformation capabilities**
- Strong **Fiber build-out** and **utilization capability**
- Pioneer in **EU-wide products** and **digital platforms**
- Solid **spectrum position** in all countries



- EU footprint to **scale operations and cloudification**
- B2B **center of excellences** for EU-wide, next-gen portfolio
- **Customer engagement** by enhancing Magenta Moments
- **Data and AI** for more personalized and digital CX
- **CX-driven network mgmt.** & predictive maintenance



- Service revenues **+2.5–3%**
- IDC/Service revenues¹ **-2–3 pp**
- Adj. EBITDA AL **+4–5%**
- ROCE **double-digit**
- **#1** in TRI*M²
- **Top 5–10** employer of choice in Telco and ICT

¹ External adj. IDC AL as % of Service revenues, organic, excl. HU Telco tax; ² Excl. RO

Our midterm commitments

KPI	Midterm ambition level	Year
Total service revenues	+2.5–3%	CAGR 2023–2027e
Adj. EBITDAAL	+4–5%	CAGR 2023–2027e
IDC/Service revenues ¹	decrease by 2–3 pp	2023–2027e
Cash Capex/Service revenues	18–19% p.a.	2023–2027e
ROCE	reach double-digit	2023–2027e
Customer satisfaction	#1 in TRI*M ³	2027e
Employer ranking	Top 5–10 employer of choice in Telco and ICT	2027e
5G coverage	> 95%	2027e
Fiber ² coverage	> 50%	2027e
Fiber ² utilization	> 35%	2027e

¹ External adj. IDC AL as % of Service revenues, excl. HU Telco tax; ² FTTH/B & Docsis 3.1 (1 Gbps) incl. own, funded and partner rollout, excl. wholebuy; ³ Excl. RO