CAPITAL MARKETS DAY 2024

#DTCMD24

Germany

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Key messages – no trade offs

01
Unmatched market leader
We are in a position of strength: #1 in NPS, leading in networks and brand, Service revenue growth, and > 3.5 years of +3% adj. EBITDA AL growth[1]. This enables us to invest in the future.

02
Leading infrastructure
We aim for ~ 2.5 mn FTTH homes passed per year and are creating an outstanding mobile network with ≥ 1 Gbps per site.

03
B2C growth ahead of market
We will drive broadband growth through Fiber net adds, speed upgrades and superior home experience. Growth in mobile is driven by superior network, family proposition and multi-brand strategy.

04
Profitable B2B growth
We reset B2B to accelerate margin-rich growth through “fair share” in underrepresented pockets in fixed-line, network superiority in mobile, growing businesses digitalization and cost efficiency.

05
Accelerating digitalization
We will enable 20–30% efficiencies in Sales & Service and Technology via Data & AI. This also underpins insight-driven Revenue growth.

06
Continue EBITDA & ROCE growth
We will continue to self-fund our investments with ~ 2.5–3% adj. EBITDA AL growth until 2027e. This, along with disciplined capital deployment, will also drive further ROCE increase.

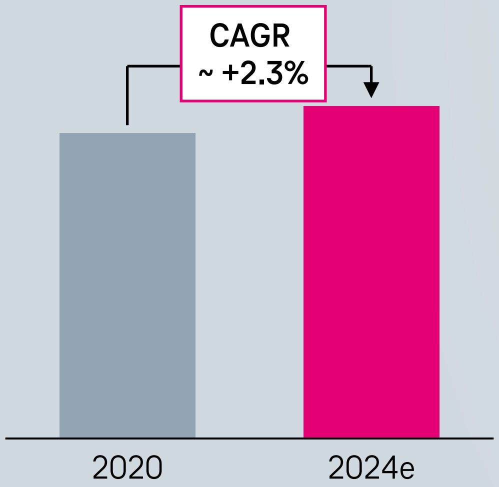
[1] Excl. impact from one-time payment tariff negotiations

Review 2020–2024e

We accelerated and delivered growth

Mobile service revenues

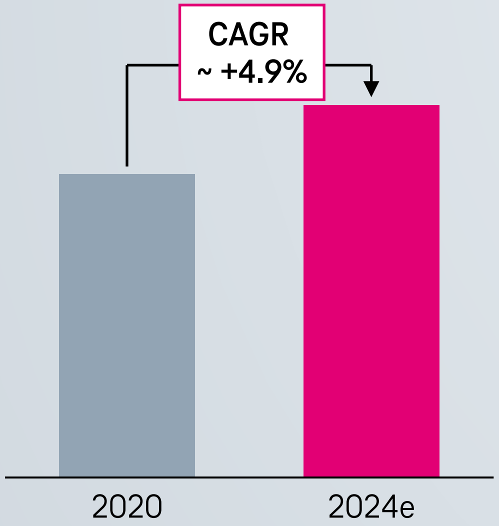
€ bn, organic



CMD 2021 ambition:
CAGR 1–2%

Broadband revenues

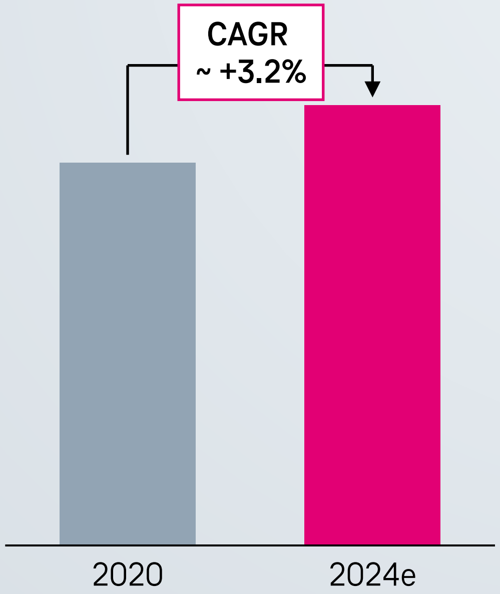
€ bn, organic



CMD 2021 ambition:
CAGR > 4%

Adj. EBITDA AL

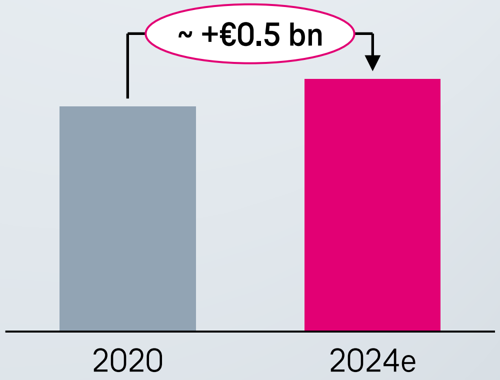
€ bn, organic



CMD 2021 ambition:
CAGR 2.5–3%

Cash Capex

€ bn, organic

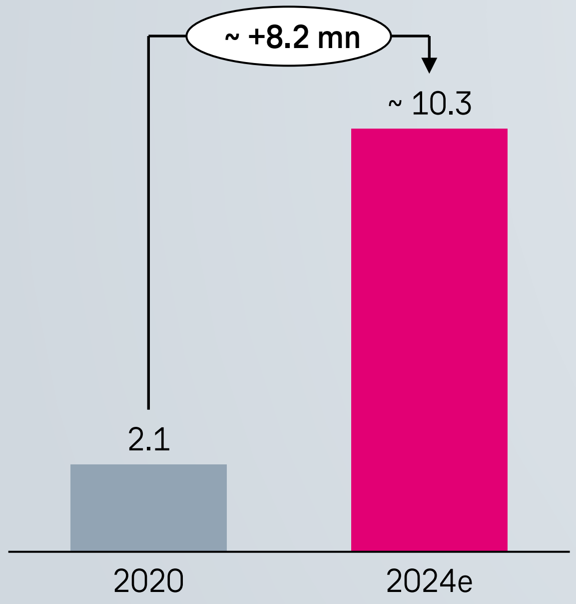


CMD 2021 ambition:
~ €0.5 bn higher

We invested in future value creation, while generating returns today

FTTH rollout (incl. JVs and cooperations)

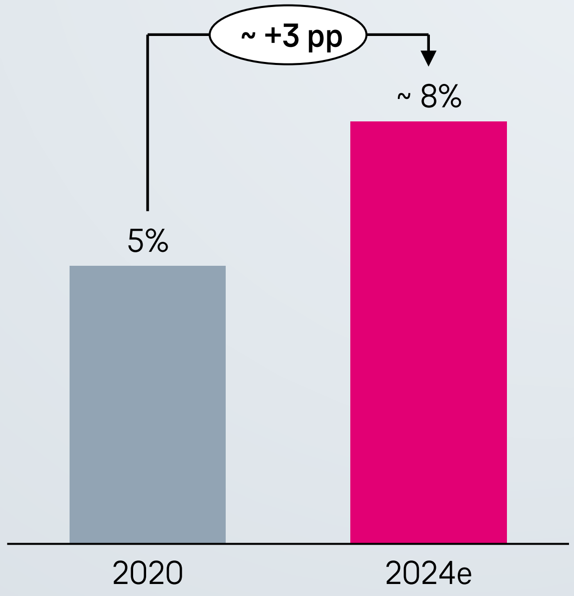
Homes passed in total, mn



CMD 2021 ambition:
~ 10 mn HH (excl. GF+); Target achievement impacted by substantial Cost inflation

ROCE[1]

%



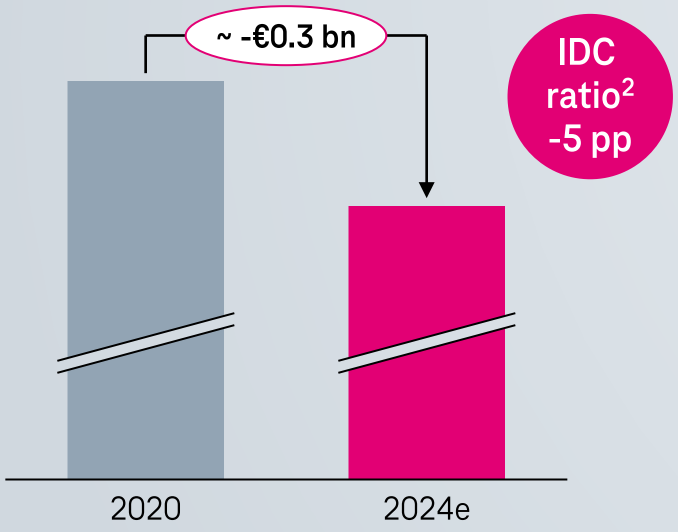
~ 3 pp improvement, despite elevated FTTH investments

[1] ROCE in region GER 2020 excl. DFMG 5%; incl. DFMG 6% as shown in CMD 2021

Despite inflation, we achieved strong cost efficiencies

IDC AL[1]

€ bn, organic



CMD 2021 ambition:
Reduction by €0.7 bn

Continued strong **reduction in central functions**

- Socially responsible transformation
- Real estate

Continued **digital and cloud transformation** in IT

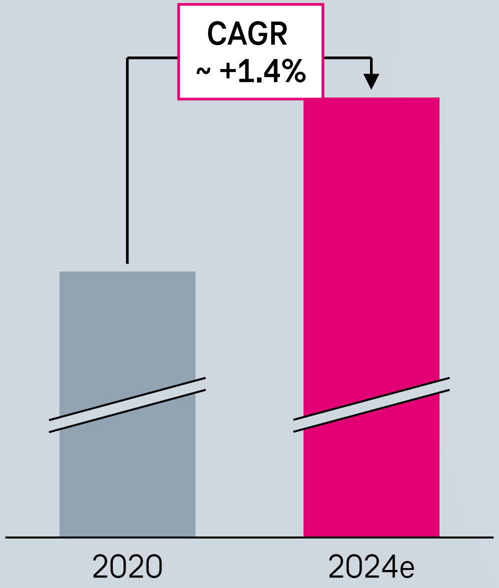
Pursued **near-/offshoring**

[1] External adj. IDC AL Germany incl. GHS & GD; [2] External adj. IDC AL as % of Service revenues

We grew in B2B, but faster in revenues than in profitability

B2B revenues

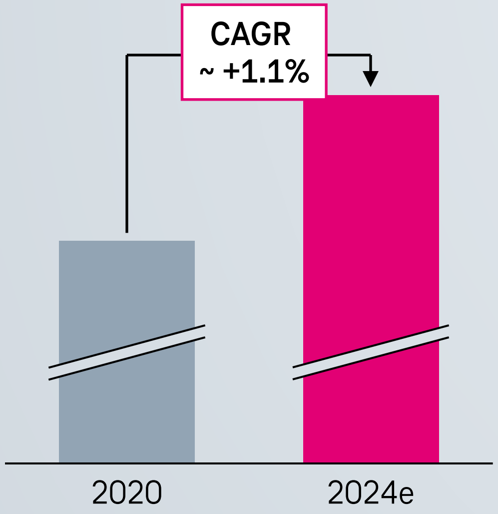
€ bn, organic



CMD 2021 ambition:
~ 2% B2B revenue growth

B2B profitability[1]

€ bn, organic



Achievements

- Strong **brand** and **customer perception** of **T Business**
- **Strong mobile performance** and continuous strength
- Strong **growth in IT, data** and **cloud products**

Challenges

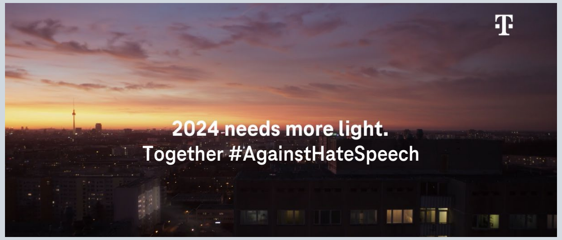
- **SDx product growth** not compensating **MPLS decline**
- **Margin decline** due to shift from Telco to IT revenues
- Highly **complex product portfolio**

[1] B2B adj. EBITDA AL after sales & service costs

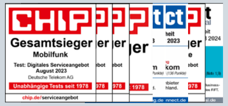
What differentiates us

LEADING ATTITUDE

#1 – most valuable German brand



Best Network



Best Service

Becoming digital

UNIQUE PEOPLE & CULTURE

Purpose – 91% approval[1]

“I perceive my work as meaningful.”

CUSTOMER FOCUS

Respect market structure

Market share growth through quality and customer insights

MAGENTA TV+

congstar

[1] Employee survey May 2024

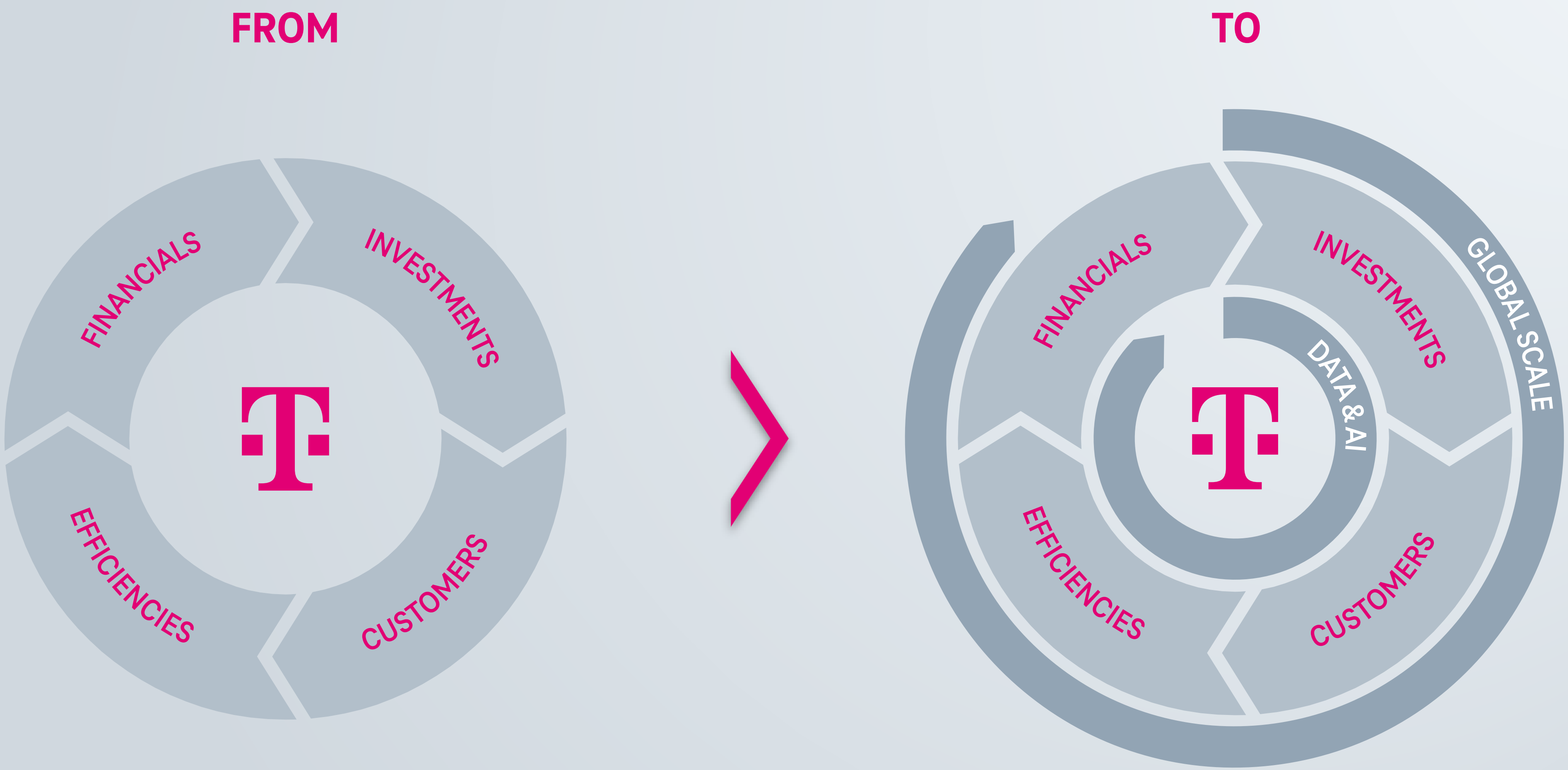
CMD 2021 ambition: almost all commitments fulfilled

KPI	Time frame	Ambition	Achievements 2024e[3]	
Mobile service revenues[1]	2020–2024e	CAGR 1–2%	~ +2.3%	✓
Broadband revenues	2020–2024e	CAGR > 4%	~ +4.9%	✓
Wholesale access revenues	2020–2024e	Stable (€ bn)	~ -€0.1 bn	✓
Total service revenues	2020–2024e	CAGR ≥ 1%	~ +1.8%	✓
FTTH homes passed	2024e	~ 10 mn HH (excl. GF+)	~ 9.5 mn	✓
5G coverage	2024e	~ 97%	~ 98%	✓
Adj. IDC AL[2]	2020–2024e	Reduction by €0.7 bn	Reduction by ~ €0.3 bn	✗
Revenues	2024e	CAGR ≥ 1%	~ +2.4%	✓
Adj. EBITDA AL	2020–2024e	CAGR 2.5–3%	~ +3.2%	✓
Cash Capex	2020–2024e	~ €0.5 bn higher	~ +€0.5 bn	✓

[1] Incl. MTR regulatory effects; [2] External adj. IDC AL, Germany incl. GHS & GD; [3] All numbers 2020–2024e organic

Strategy 2023–2027

We are evolving our Flywheel



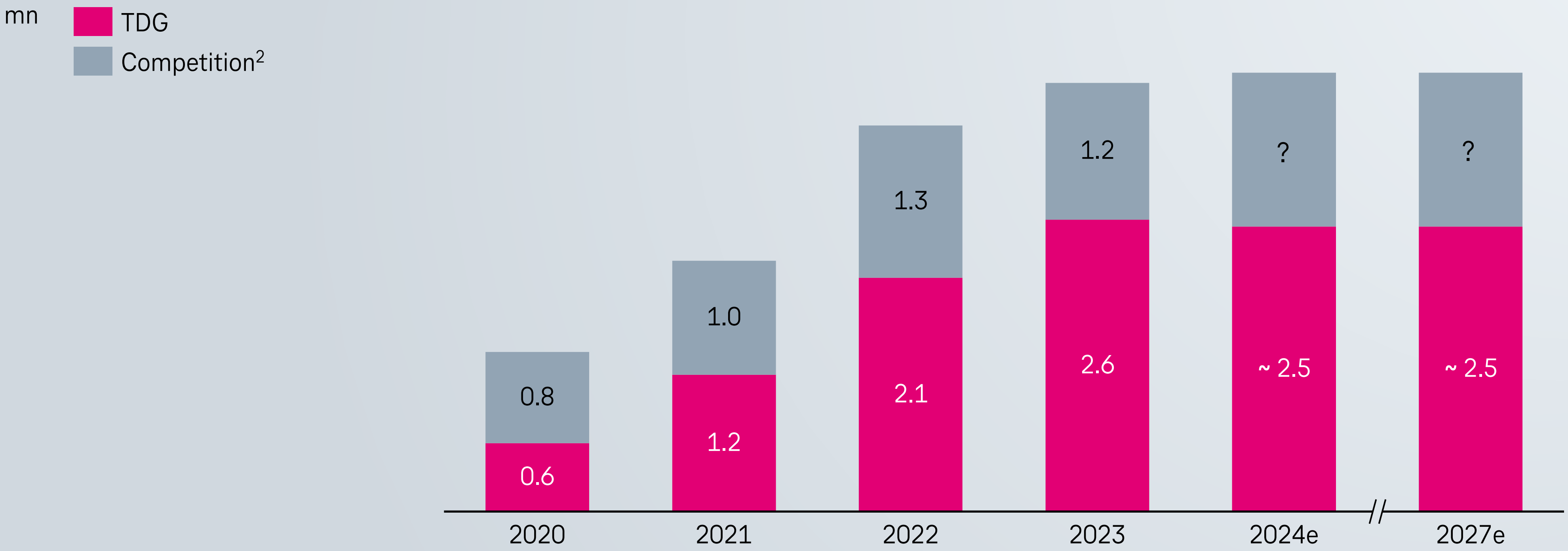
... BY DOUBLING DOWN ON DATA & AI

We made a step change in our digitization

	2020	2024
Data	~ 50 Data systems	1 Google cloud platform
# APIs	< 100 APIs	> 1,800 APIs
API calls	< 10 mn API calls per day	250 mn API calls per day

We will continue to roll out ~ 2.5 mn FTTH homes passed p.a.

FTTH rollout homes passed p.a.[1]



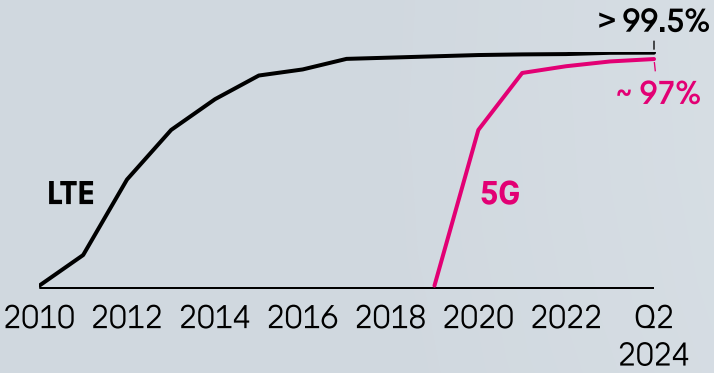
▶ **Infrastructure share dependent on Altnet performance**

[1] Incl. JVs and cooperations; [2] Source Competition: own analysis/Infrastruktur-Atlas

We have the only "outstanding" mobile network in Germany

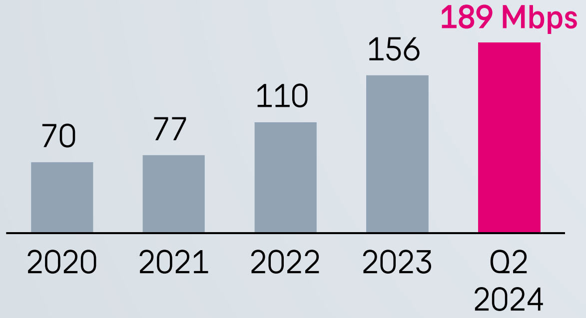
Population coverage

%



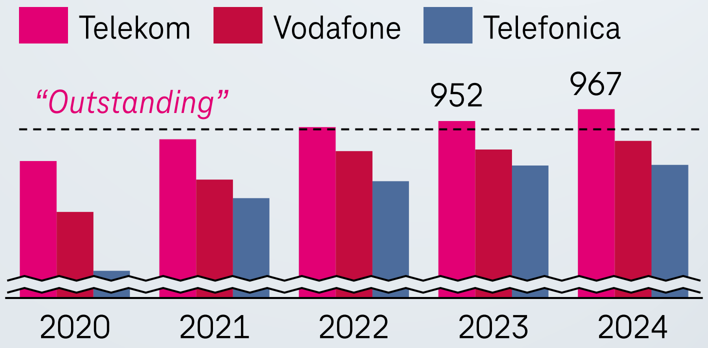
Average download speed[1]

Mbps



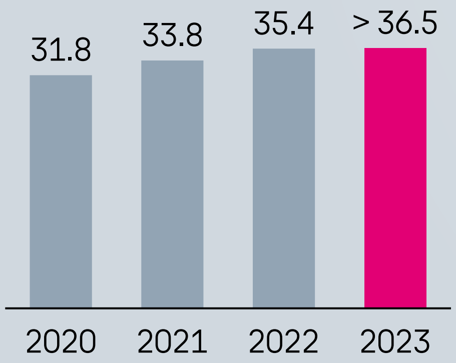
Network scores[2]

Points



Mobile sites[3]

'000



Call drop rate

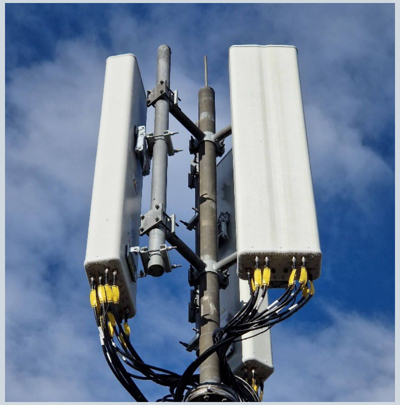
%

Series test winner

[1] Speed measured via TDG-internal drive tests; [2] Connect Mobile Network Test 2024; [3] Incl. Small Cells

Modernization further increases our mobile network advantage

MODERNIZATION OF OUR COMPLETE ACCESS AND BACKHAUL NETWORK…



Increased spectrum utilization

Lowband on all sites &
midband densification at scale

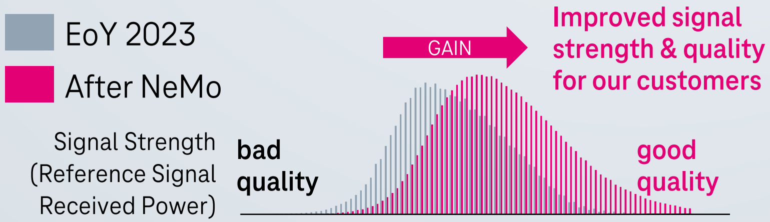
3.6 GHz as differentiator for traffic hotspots

Optionality for 5G on all spectrum bands

Invest in Backhaul capacity enhancements

… LEADS TO SIGNIFICANT CUSTOMER EXPERIENCE IMPROVEMENT IN 2027

- **Doubling capacity**
- ~ **90% of all sites with ≥ 1 Gbps** top download speed per site
- Improved **indoor experience**[1]



- Seamless coverage for traffic routes
  - ~ **400 new sites** along highways until 2027
  - Highways & train tracks with **≥ 200 Mbps**[2]

[1] Exemplary indoor coverage analysis, share of households in Top-100 cities by signal strength (RSRP in dBm). Public venues not included (malls, offices, etc.); Source: TDG internal (Crowd Sourced Data);
[2] Speeds according to current BNetzA definition for coverage obligations

Turning customers into fans is the heart of our strategy

Satisfied customers…

… spend more:

> 9%

higher revenue[1]

… stay longer:

-50%

churn[1]

Loyalty program Magenta Moments leads to **high engagement** and **significantly higher NPS** of our app customers vs. customers not using the app.

4x

higher relationship NPS[2]

Monthly data snack on us for mobile customers to **extend experience** on our mobile network.

2x

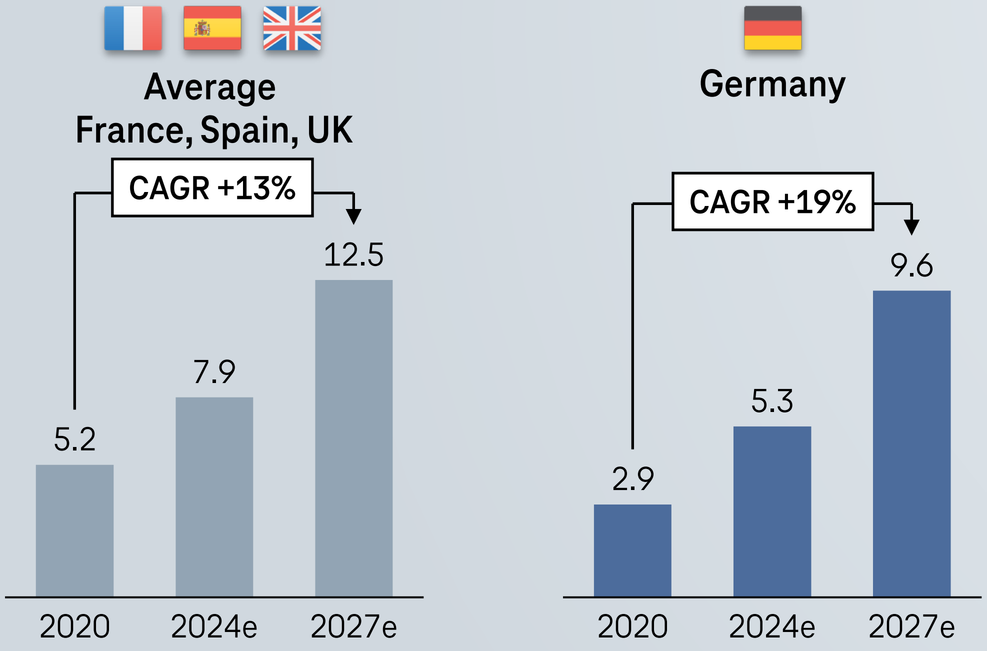
higher product NPS[3]

[1] 01/2023–06/2024; [2] 06/2024; [3] 07/2023–07/2024

Germany has significant growth potential in its digital evolution

Annual data consumption per broadband access

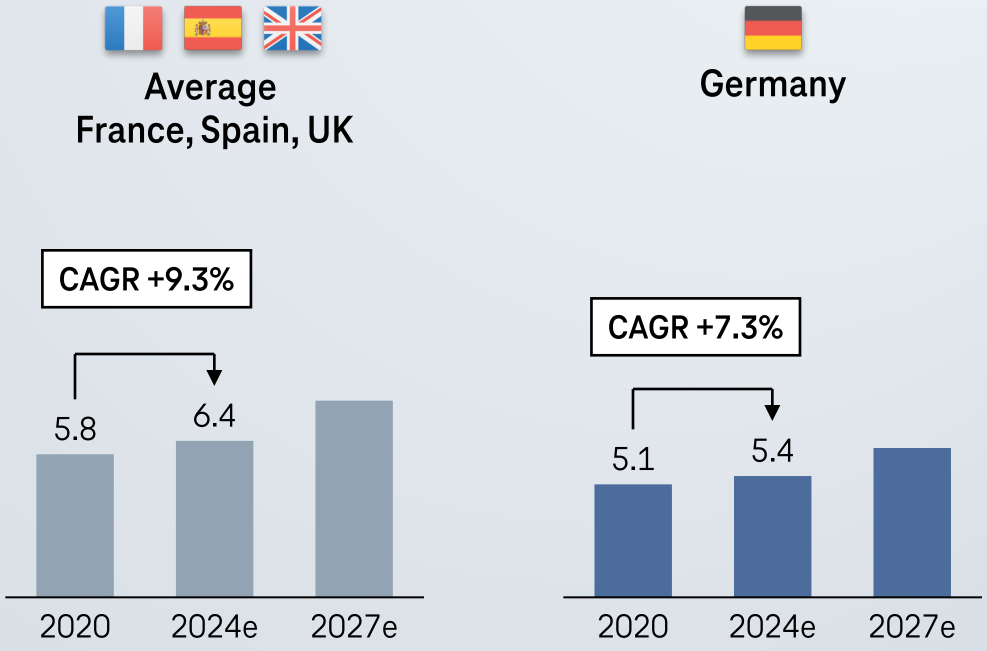
TByte



Source: Analysys Mason, Fixed network data traffic: worldwide trends and forecasts 2022–2028

Base of connected devices installed

Average number of connected devices per household

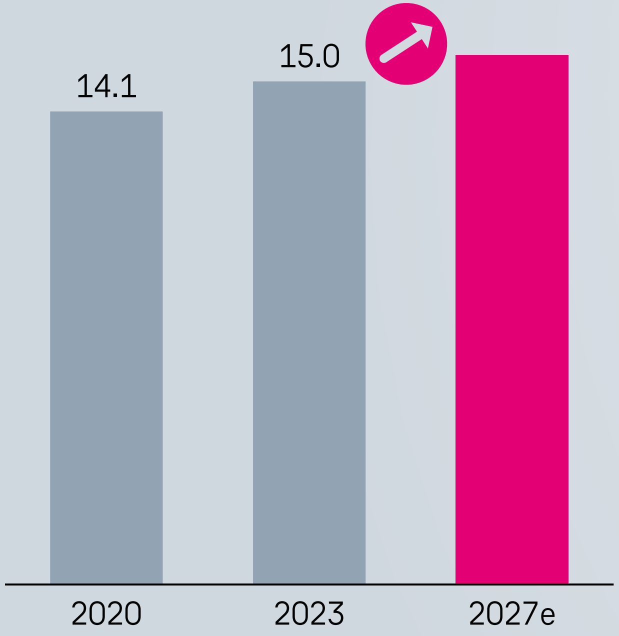


Source: Omdia, Connected Devices Databases – Core Connected Devices – Q1 2024

Expanding BB leadership will drive continued volume & ARPA growth

Broadband retail customers

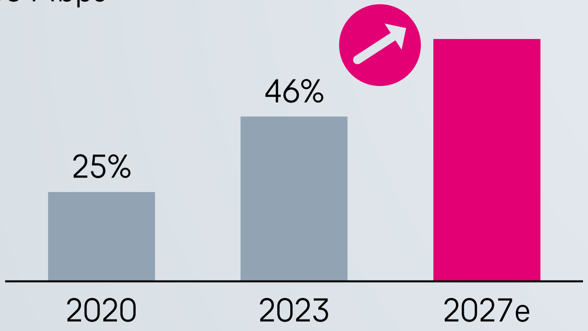
mn



Targeted **Net add share > 40%** in 2025–2027e

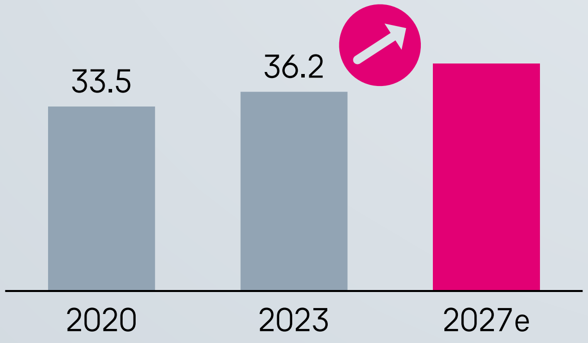
Share of ≥ 100 Mbps (retail)

Amount Broadband customers ≥ 100 Mbps



Broadband ARPA (B2C)[1]

€



Ambition 2027e

3–4%
BB revenue CAGR

2023–2027e

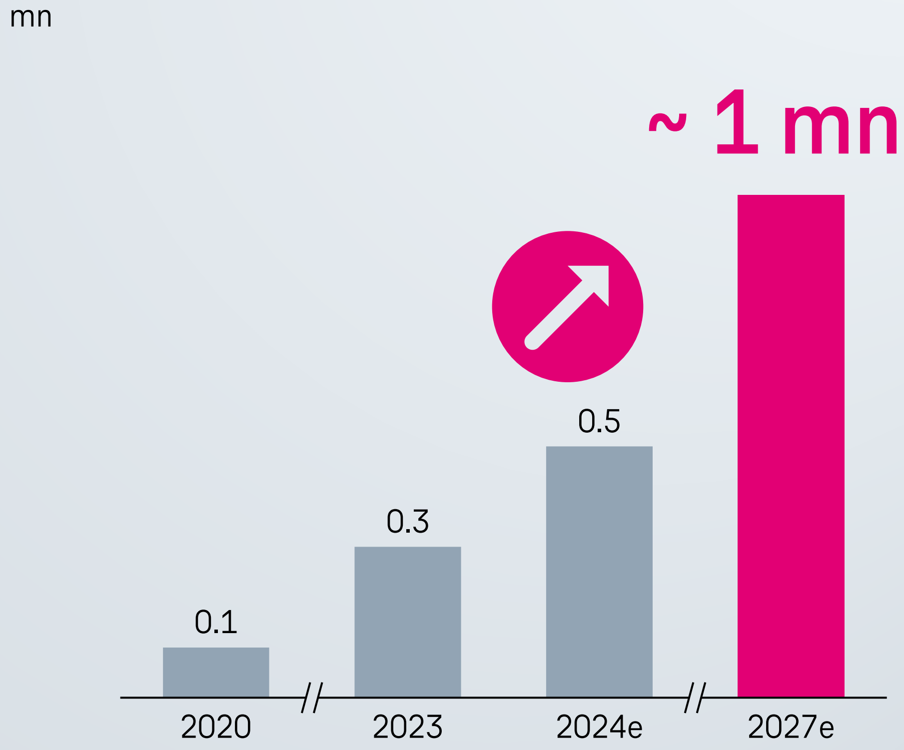
[1] Until 2023 excl. P&A effects

We will strongly step-up our FTTH customer net adds

Key measures to accelerate homes connected

- Building permissions at scale
- Regional structure
- Capacity increase
- New portfolio and marketing push

FTTH net adds (retail and wholesale)



We have the best TV offer in Germany

WHAT MAKES MAGENTA TV UNIQUE

Best content aggregator & differentiator

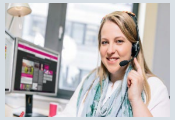
- Linear TV channels + TV on-demand[1]
- Exclusive deals & content
- Exclusive, event-based highlights[2]

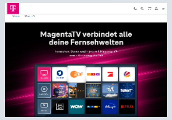
Best product & service experience

Best UX at all touchpoints


User interface


Shop


Service


Web

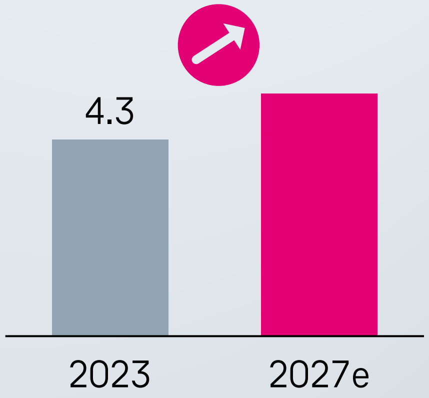
Superior Customer satisfaction

Repeated test winner!

25 pNPS points[3]

Magenta TV customers

Access, mn



[1] Exemplary partner selection; [2] Exemplary event selection; [3] Active customers on MagentaTV 2.0 February-August 2024

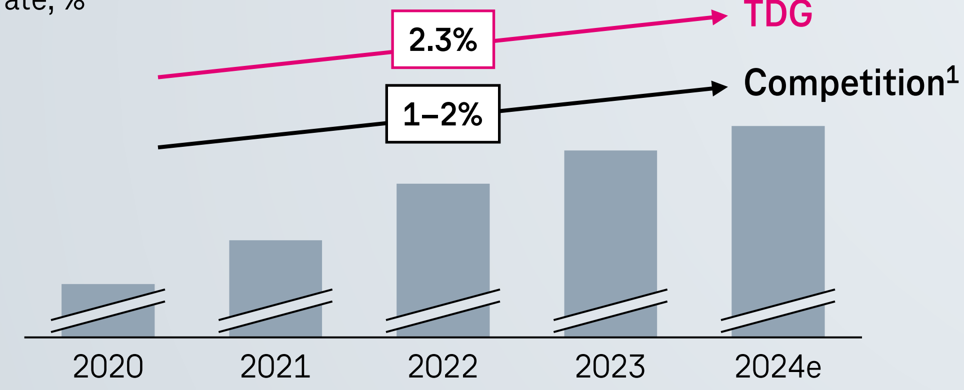
We democratized our mobile network w/o sacrificing Service revenue growth

Core insight

Trade off between value and quality for families removed

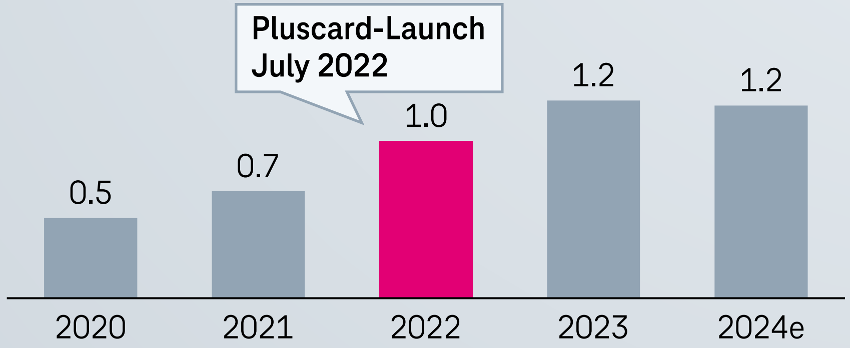
Mobile service revenue market

Growth rate, %



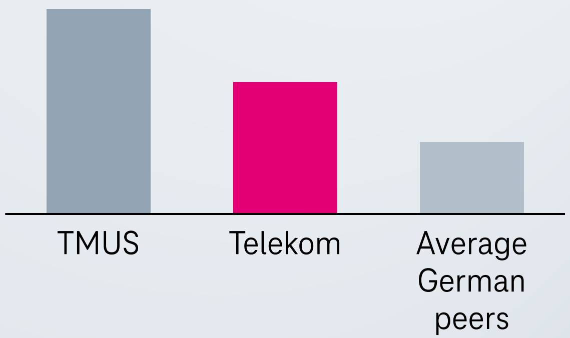
Mobile net adds[2]

mn

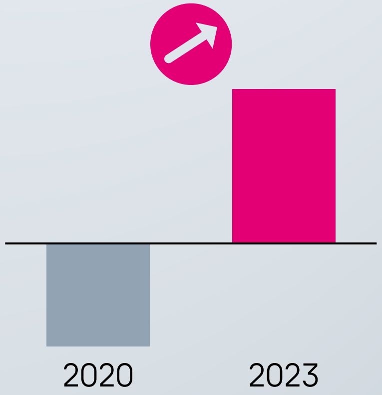


rNPS[3] mobile B2C[4]

Points



MVNO port win share

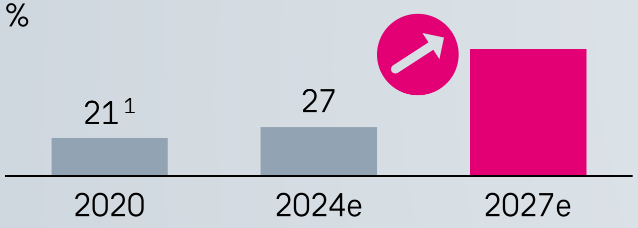


[1] Quarterly reports peers; [2] Own branded retail customers excl. multi-brand, consumer IoT & “Schnellstarter”; [3] Relationship NPS; [4] Q2 2024

Opportunities to penetrate base, use regional skews & multi-brand

Personalized family offers

Penetration additional cards
%



- Upward potential to **further penetrate our base** with additional cards

Multi-brand

congstar
frænk
freenet

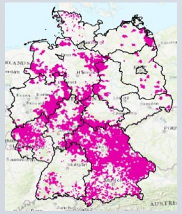
- **Clear positioning** for each brand minimizes cannibalization
- **Diversified channel mix**

Addressing regional imbalances

Best network

vs.

SIM-share leader



- **Dedicated penetration** in regions with best network but low SIM-share

Ambition 2027e

2–2.5%
Mobile service revenue growth

2023–2027e

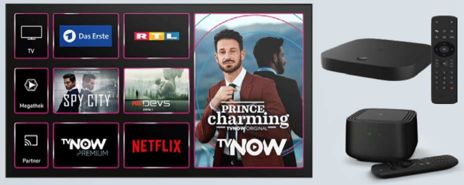
[1] January 2020

Build new capabilities to create growth opportunities beyond core

BUILDING ON OUR MAGENTA ADVANTAGE

MONETIZATION

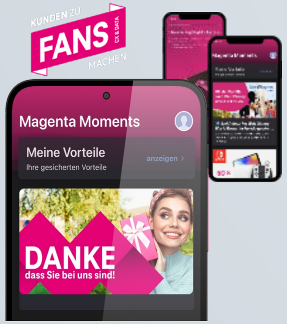
Magenta TV



Maximizing efficiency of ad budget for Magenta TV and partners

Targeted advertising

Magenta Moments



Value & benefits for customers and partners

Customer insights & new layer of partner collaboration

Publisher inventory
(e.g. broadcaster)

Own inventory

Additional insights for target campaigning in our base
(e.g. insurance, speedups etc.)

Active users **6 mn**[1]

Engagements **22 mn**[1]

[1] Magenta Moments (since Launch 09/2022 until 06/2024)

We aim to accelerate B2B growth, both for revenues and margins

MARKET POTENTIAL

Public Sector	**Lower share of wallet** of ~ 25%
Large Enterprise	**Share of wallet** currently only **~ 20–30%**
Medium Business	**Only 15%** have half of their IT **apps in cloud**
Small Business	Currently **lagging** behind B2C in **FTTH net adds**
T Digital	**Double-digit market growth**

GROWTH OPPORTUNITIES

Radical transformation in:

Go-to-market

Product mix

Delivery

Ambition 2027e

~ 2%
B2B Total service revenues
2023–2027e

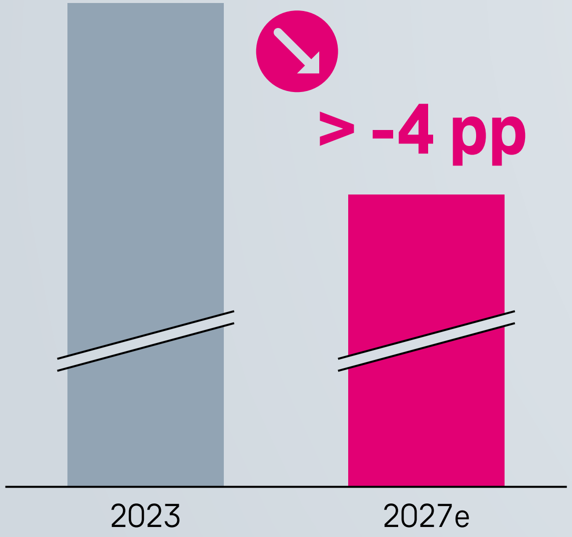
> 2%
B2B profitability[1]
2023–2027e

[1] B2B adj. EBITDA AL after sales & service costs

Despite wage increases, we will further improve our cost-ratio

IDC AL/Service revenues[1]

% of Service revenues



Substantial cost reduction by digitalization and restructuring

- Despite wage increases and inflation, we **increase cost-efficiency** and simultaneously **increase our Total service revenues** by 2–2.5%.
- **AI-driven efficiencies** of 20–30% in key areas of Sales & Service and Technology
- Continued sustainable **personnel and skill transformation** and headcount reduction in central functions
- **Complexity reduction** and **focus on automation and cloud transformation** in **IT**
- **Optimization** of **real estate**

[1] External adj. IDC AL as % of Service revenues, Germany incl. GHS & GD

Data & AI enable a step change in Customer experience and enhance cost reduction

OUR STRATEGY

Prevent

Automate

Enhance Customer and Agent experience

ENHANCE CUSTOMER AND AGENT EXPERIENCE

Handling time (480 sec.)

Welcome & identification	Issue understanding	Issue processing	Closing
60 sec.	70 sec.	320 sec.	30 sec.

Welcome & identification – Automation

Issue understanding and processing – Information retrieval

Post call time (300 sec.)

Documen-tation	Issue processing	TKS callback	Other
60 sec.	120 sec.	70 sec.	50 sec.

Documen-tation – Automation

Issue processing – Information retrieval

More examples on digitalization in Technology and Field Service

AI-based planning & scheduling

T-Car for **route filming, measuring** and **analysis for FTTH rollout** via cameras, sensors and AI for **faster and more efficient rollout planning**

End-to-end digital companion

Acceleration in documentation through scanning the excavation pit with all infrastructure elements

Data is **immediately available and evaluated**

Ambition 2027e

20–30% efficiency increase

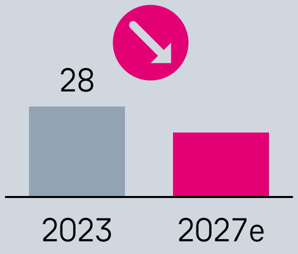
via digitalization/ automation in Sales & Service and Technology

There is no trade-off between business and sustainability

CLIMATE

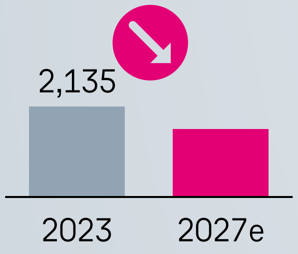
Energy intensity

kWh per TB



Emissions

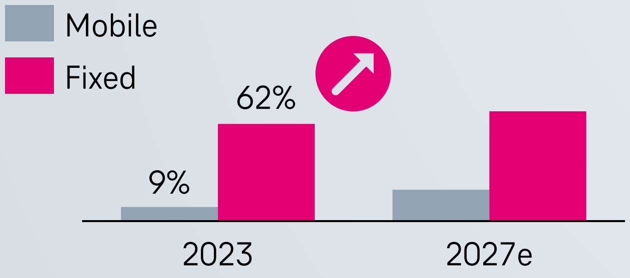
kt CO_2e



- Continuous **improvement of energy efficiency** until 2027
- **Stable energy consumption** despite mobile network extension and growth in traffic & speed
- **Further reduction of emissions** in Scope 1–3
  - **Fleet electrification:** Prepare full conversion
  - **Civil Works:** Scale **efficient construction methods**[1]

CIRCULARITY

Return ratio[2]

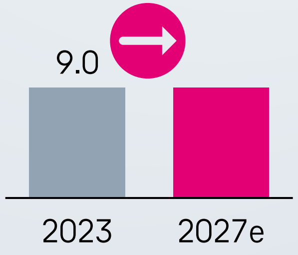


- We engage in all categories of **T Circularity Score**
- Steady **increase in return ratio** for fixed[2] and mobile through buy-back, take-back, and DaaS/ rental offers until 2027
- Push use of **recycled materials in the network**

SOCIAL

Beneficiaries

mn people



- Expand beneficiaries of **digital inclusion activities** and maintain **connectivity during crisis**
- **Achieved to connect 10,000 schools** with FTTH by 2024, significantly exceeding ambition of 7,000

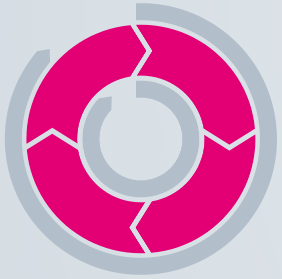
[1] Others than classic construction methods; [2] CPE (equipment located at the customer's premises, e.g. modems, routers, repeaters, and TV receivers); 2023 as reported; Switch to new KPI "T Circularity Score" from 2025, measuring progress of DT's full circular approach

Midterm ambition level

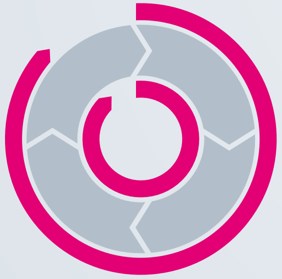
2023–2027e: Committed to lead & perform – again!

STRONGER FOUNDATION	+	SUPERIOR EXECUTION	+	ACCELERATION	=	VALUE CREATION

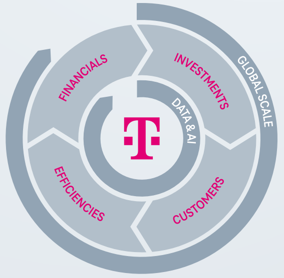
- ONE stronger **brand**
- Diversified our **team**
- Uphold strong **values**
- **Growth** mindset
- Take over environmental & social **responsibility**



- ~ 2.5 mn **FTTH homes passed** p.a.
- Extending **mobile network capacity**
- **Gain Market share in broadband**
- **Gain Market share in mobile**
- **Increase B2B profitability**[1]



- **Data & AI-enabled** 20–30% **efficiency**



- **Adj. EBITDA AL growth** 2.5–3%
- **Total service revenue growth** 2–2.5%
- **IDC/Service revenues**[2] **down** > -4 pp
- Further **ROCE increase**

[1] B2B adj. EBITDA AL after sales & service costs; [2] External adj. IDC AL as % of Service revenues

Our midterm commitments

KPI	Midterm ambition level	Year
Total service revenues	CAGR 2–2.5%	2023–2027e
Broadband revenues	CAGR 3–4%	2023–2027e
Mobile service revenues[1]	CAGR 2–2.5%	2023–2027e
Wholesale access revenues	stable	2023–2027e
B2B Profitability[2]	CAGR > 2%	2023–2027e
Adj. EBITDA AL	CAGR 2.5–3%	2023–2027e
IDC/Service revenues[3]	> -4 pp	2023–2027e
Capex/Service revenues[4]	~ 20%	2027e
ROCE	Further increase	2023–2027e
FTTH homes passed	~ 2.5 mn HH per year	2023–2027e

[1] Incl. MTR regulatory effects; [2] B2B adj. EBITDA AL after sales & service costs; [3] External adj. IDC AL as % of Service revenues, Germany incl. GHS & GD; [4] Cash Capex as % of Service revenues