

#DTCMD24

CAPITAL MARKETS DAY 2024

Press conference
October 10, 2024



Connecting
your world.

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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.

Group Strategy

Tim Höttges (CEO)

Stronger than ever – tough to compete with us

#1 Global Telco brand
+84% Brand value since 2020¹

~ €71 bn Total Cash Capex²
2021 – 2024e

#1 Leading 5G networks
in US, GER & EU

> €1.75 Adj. EPS
+46% since 2020

> 20 mn Fiber homes passed GER & EU⁸
+13 mn homes since YE 2020

~ €43 bn Adj. Core EBITDA AL
+31% since 2020³

~ 300 mn Customers
+7 mn broadband⁶, +21 mn
postpaid since YE 2020⁷

~ -5 pp IDC/Service revenues⁴
2024e vs 2020 (DT ex US)

#1 Customer experience⁵
Lead in TRI*M GER & EU & NPS US



All data end of 2024e except stated otherwise; ¹ Brand Finance 01/2024; ² Without spectrum; ³ Organic; ⁴ Adj. IDC AL as % of Service revenues, organic, excl. HU Telco tax;

⁵ EU: #1 in 8 out of 9 countries B2C, 12M avg. as of Q2 2024 excl. RO, GER: B2C Q2 2024, B2B YE 2023, US: Q2 2024; ⁶ Q2 2024, incl. US FWA customers; ⁷ Q2 2024 excl. US FWA customers;

⁸ GER: FTTH incl. JVs; EU: FTTH/B & Docsis 3.1 (1 Gbps) incl. own, funded & partner rollout but excl. wholebuy



#1 in Brand value & Customer experience

Brand value



#1 EUROPEAN BRAND

#1 GLOBAL TELCO BRAND

#9 GLOBAL BRAND

1	2	3	4	5
6	7	8	9	10
11	12	13	14	15

Customer experience

#1 in GER & EU
based on TRI*M²

#1 in the US
based on NPS²

Winner of all relevant awards



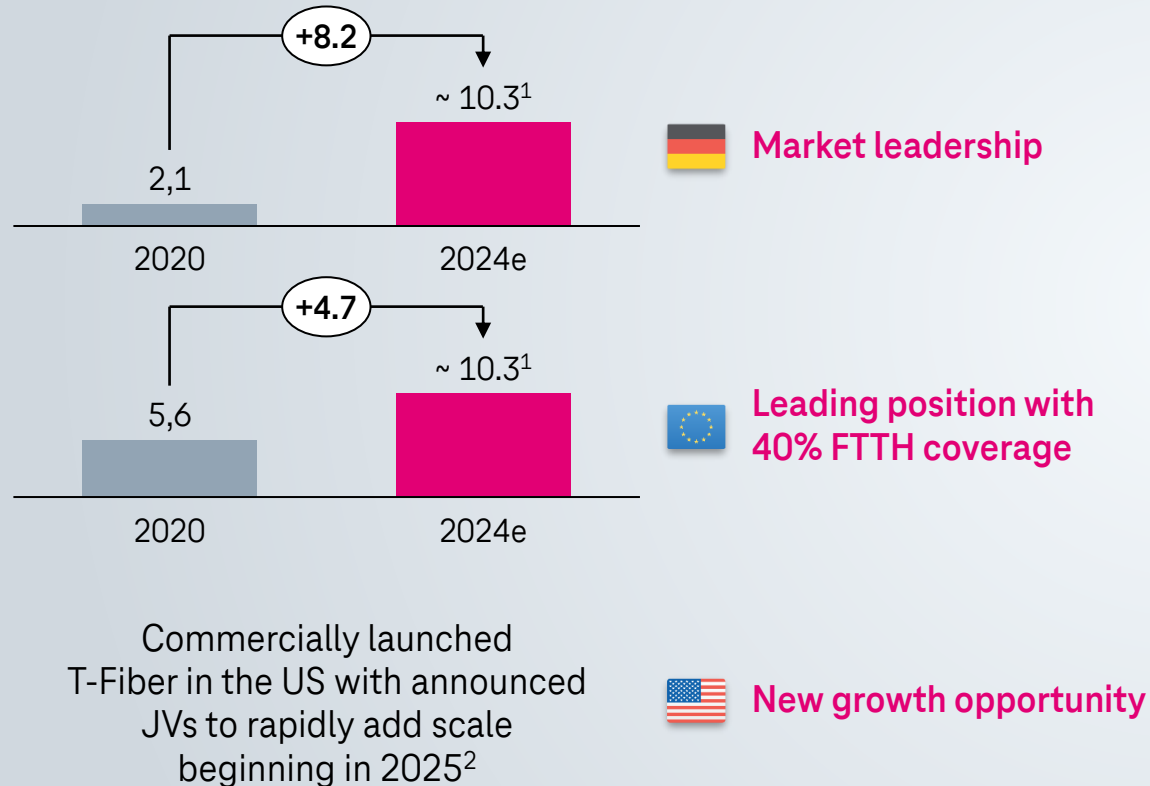
¹ Brand Finance; Note: Brand value 01/2024; ² EU: #1 in 8 out of 9 countries B2C 12M avg. as of Q2 2024 excl. RO, GER: B2C Q2 2024, B2B YE 2023, US: Q2 2024



Leading positions in Fiber and 5G

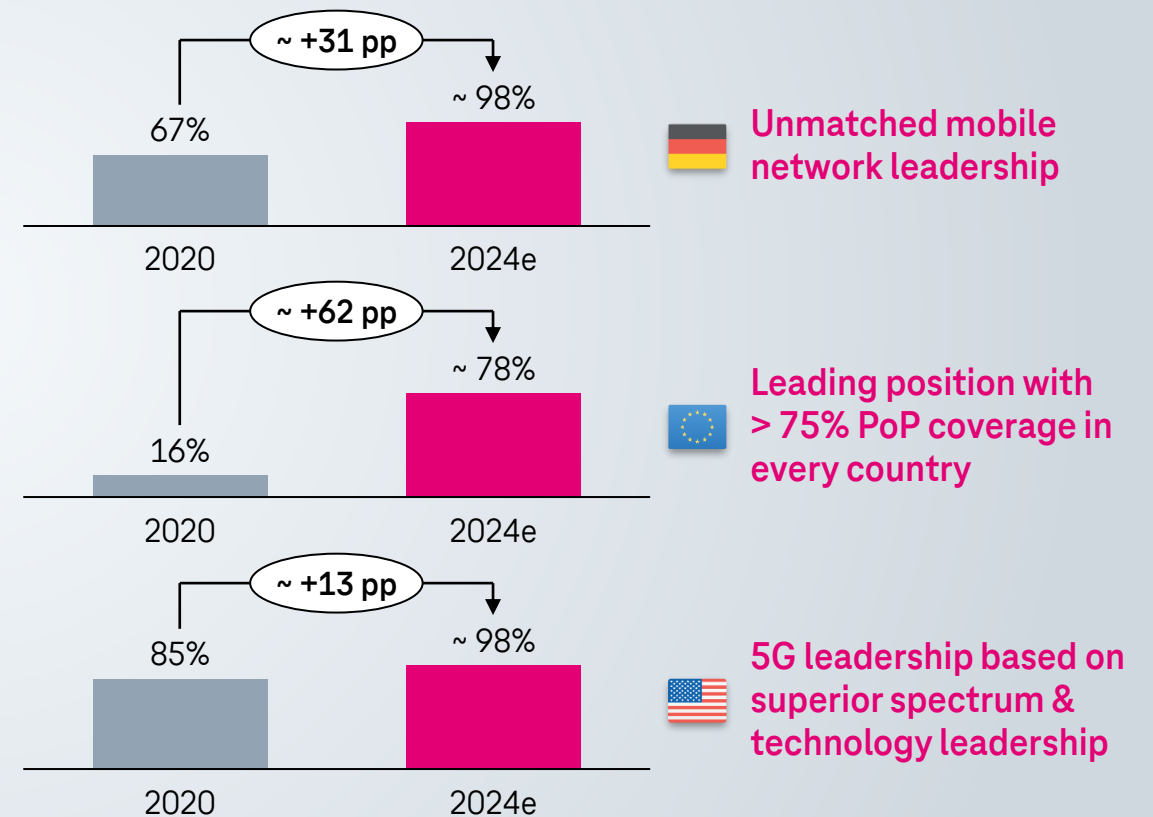
FTTH

Homes passed, mn



5G Coverage

% of population



¹ GER: FTTH homes passed incl. JVs; EU: FTTH/B & Docsis 3.1 (1 Gbps) homes passed incl. own, funded & partner rollout but excl. wholebuy; ² Based on Lumos & Metronet JVs (pending regulatory approval)

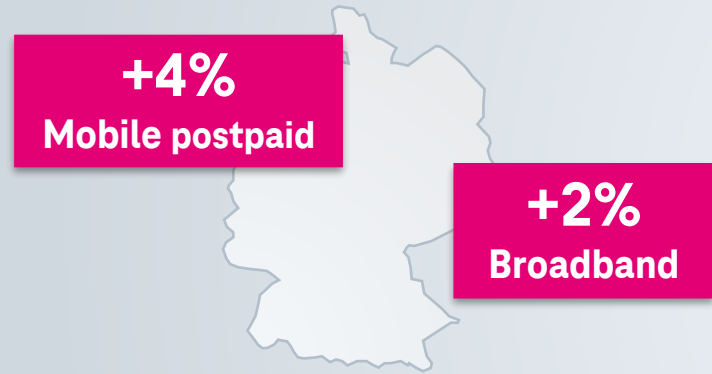


Customer growth in all markets...

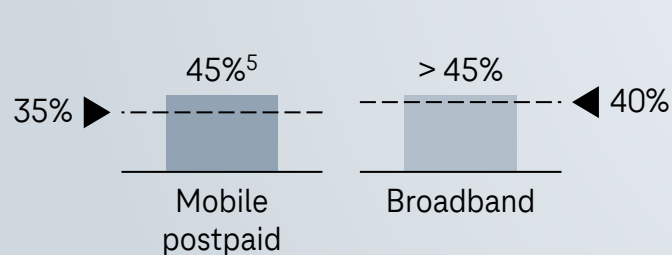
GER



Customers, CAGR 2020–2023



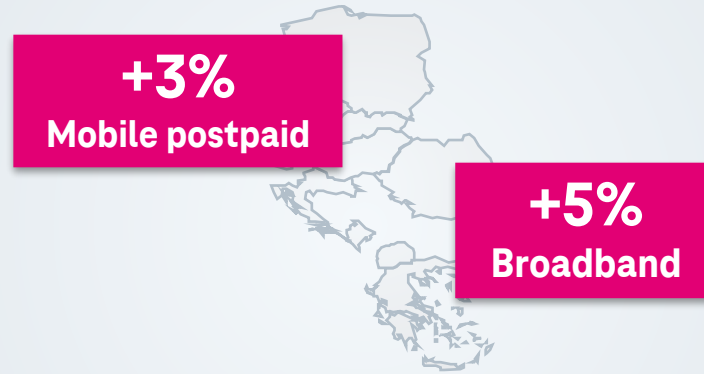
Net add share & Market share⁴



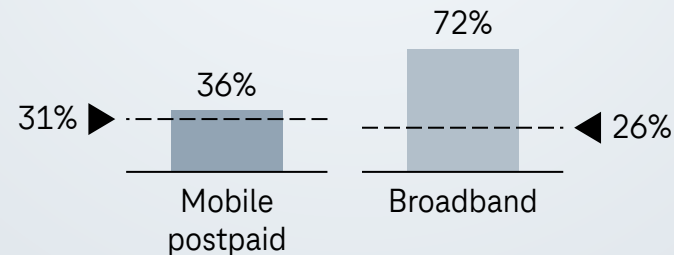
EU¹



Customers, CAGR 2020–2023



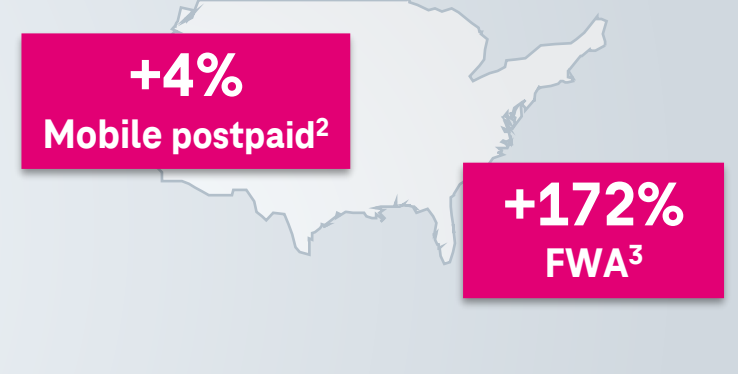
Net add share & Market share⁴



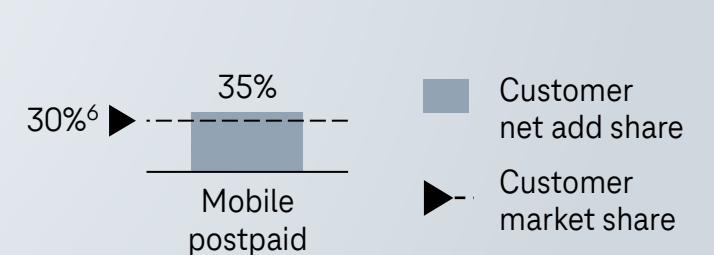
US



Customers, CAGR 2020–2023



Net add share & Market share^{2,6}



¹ Excl. RO; ² Only postpaid phone; ³ CAGR 2021–2023 as TMUS only launched FWA in 2021; ⁴ Net add share & Market share figures based on internal estimations for 2023; ⁵ Excl. wholesale; ⁶ Market = AT&T, Verizon, TMUS, Comcast & Charter 2023



...while intensifying engagement with Magenta Advantage

ENGAGING WITH OUR CUSTOMERS EVERY DAY ...

Magenta Moments

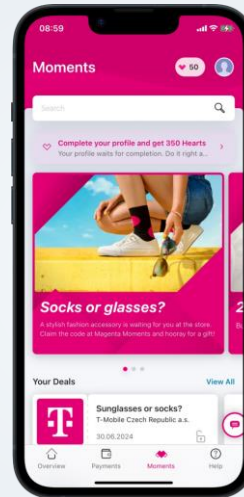


Magenta Status



- ✓ For all customers
- ✓ Exclusive rewards
- ✓ Frequent delights
- ✓ Digital experience
- ✓ No strings attached

... AT OUR DIGITAL FRONTDOOR ...



> 15 mn OneApp users¹

~ 30 mn T Life users²

... DELIVERING SIGNIFICANT BIZ VALUE ACROSS THE GROUP

Δ Engaged vs. App-only customers³

NPS



⁴ Double digit improvement

Churn⁵



20–45%

ARPU



10–50%

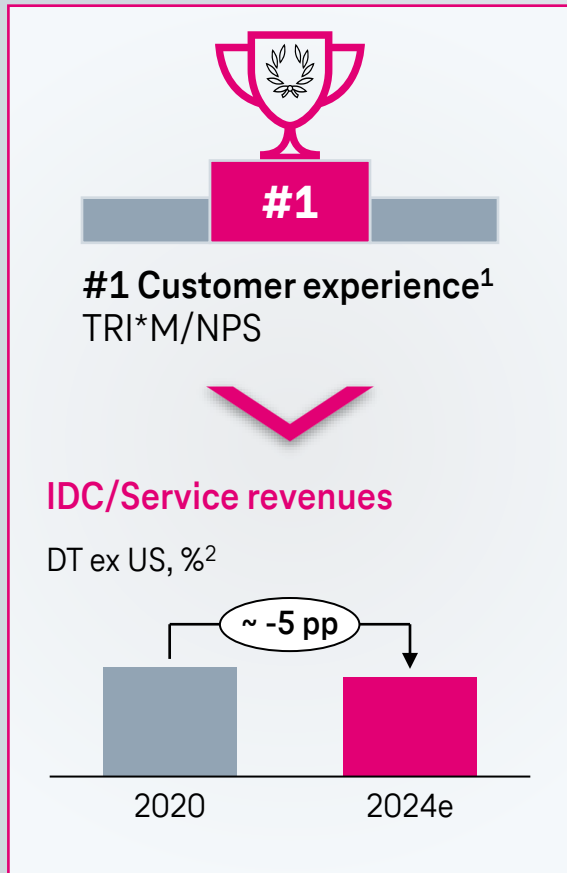
Interactions



x2

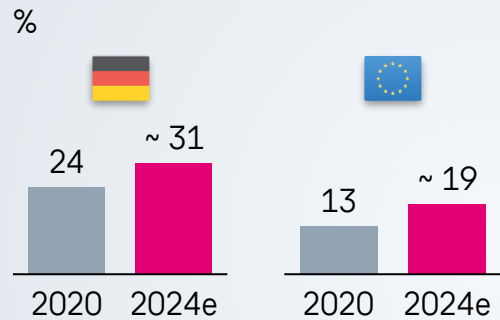
¹ GER & EU: Active users, OneApp, 09/2024; ² US: Unique users, T Life, 09/2024; ³ As of 06/2024, B2C only, GER = actual Moments users, EU = signed up members; ⁴ GER: Pre- & Postpaid, EU: Postpaid, incl. PL, CZ, HU, HR & MK; ⁵ Change in mobile contracts

Customer experience focus is driving digital transformation

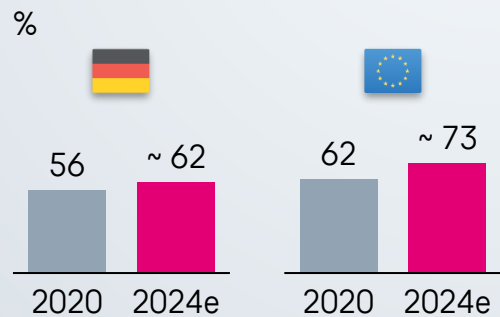


SALES

eSales share

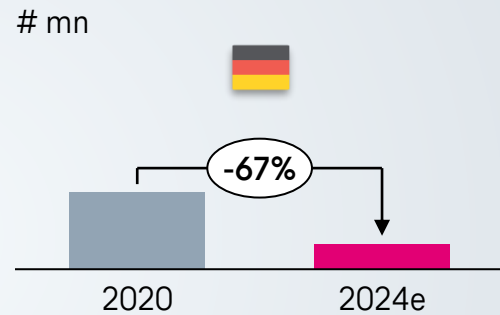


OneApp penetration

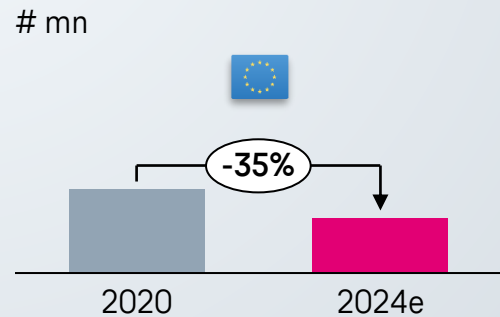


SERVICE

Claims & complaints

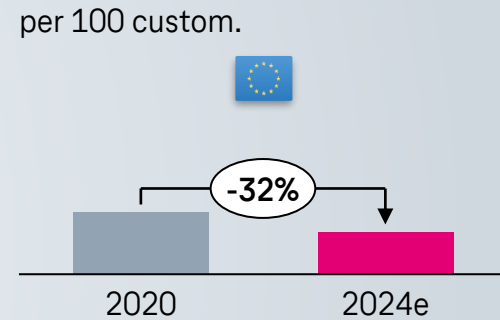


Non-sales contacts³

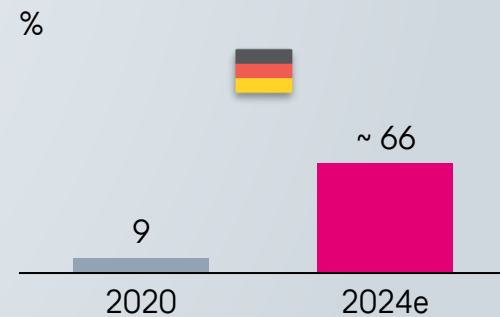


OPERATIONS

Reactive Truck Rolls



NW Cloudified workload



¹ EU: #1 in 8 out of 9 countries B2C, 12M avg. as of Q2 2024 excl. RO, GER: B2C Q2 2024, B2B YE 2023, US: Q2 2024; ² Adj. IDC AL as % of Service revenues, organic, excl. HU Telco tax; ³ Excl. RO

Delivering on our environmental & social commitments

CLIMATE



-23%

in **Scope 1–3 emissions**¹
in 2023 vs. 2020
(Scope 1&2: -95% 2023 vs. 2017¹)

> 2x

Energy efficiency
more than doubled
2024e vs. 2020

CIRCULARITY



61%

Fixed-line device takeback²
in 2023
(25% for mobile devices)

NO

ICT waste to landfill⁴
since 2022

SOCIAL



51 mn

People benefited³
Mainly from our digital inclusion activities in
2023 (+84% since 2021)

€1.5 bn

in contribution to
social initiatives in 2023

¹ Organic; ² Modems, routers, repeaters and TV receivers; ³ Incl. “crisis mitigation” and “low carbon & circular society”; ⁴ All electronic waste produced is either reused, recycled, composted or sent to energy recovery

Portfolio management generates superior value

MADE THE RIGHT PORTFOLIO CHOICES ...

Netherlands

Sales of T-Mobile NL at 8.7x EBITDAAL in 2021 – disposal after successful turnaround

Towers

Monetization of 51% stake at 27x EBITDA in 2022 – ensured strong governance rights

Softbank

Acquired TMUS shares from Softbank at \$108/share on average through share swap & options – DT dilution partly reversed through €2 bn DT share buyback in 2024

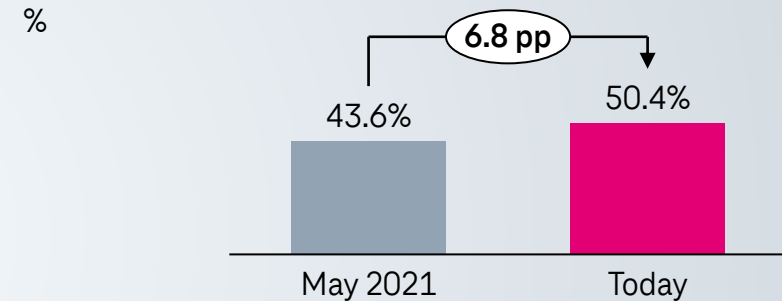
DTCP

Proven value delivery. €1.4 bn value from €0.9 bn investment & significant contribution to the innovation ecosystem

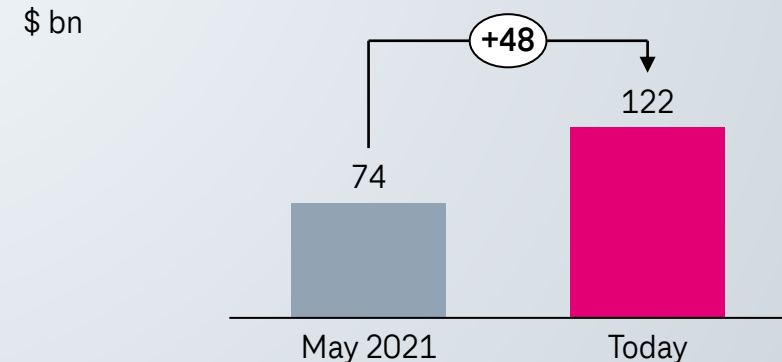


... & CREATED VALUE WITH TMUS

DT TMUS stake

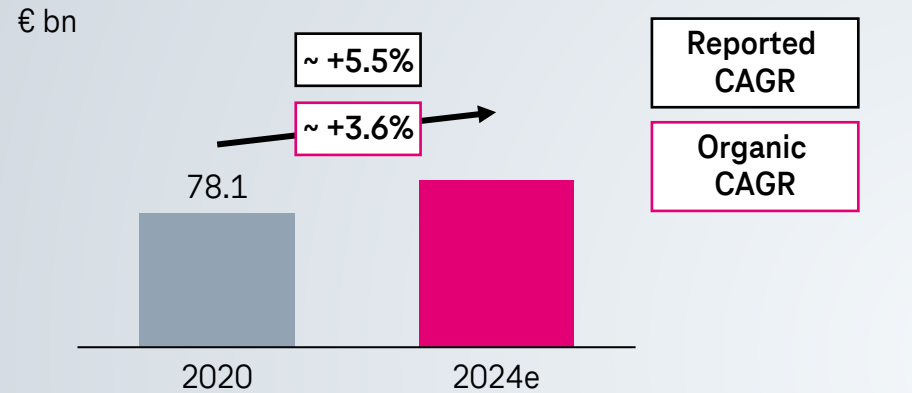


Value of DT TMUS stake

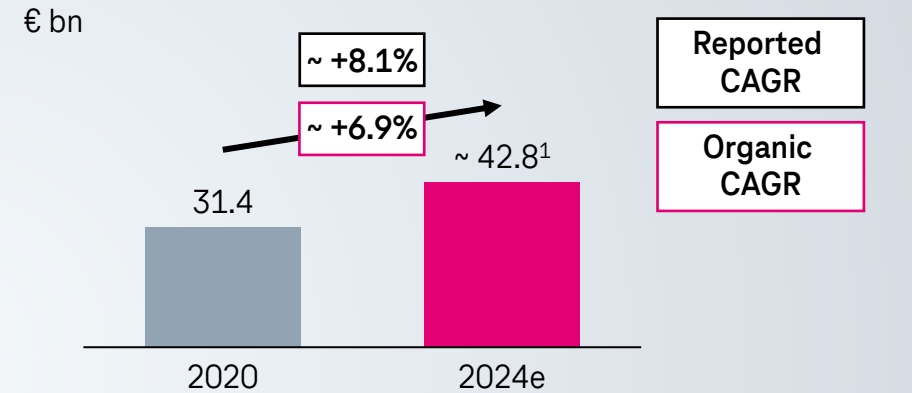


Result: Growing in all key financials...

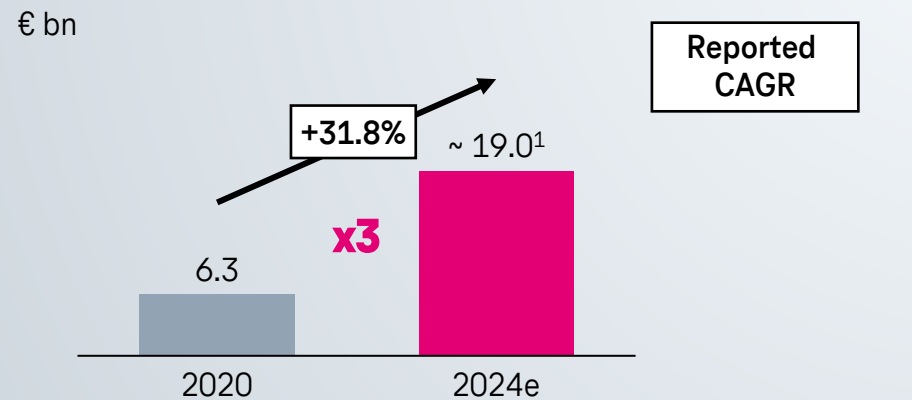
Service revenues



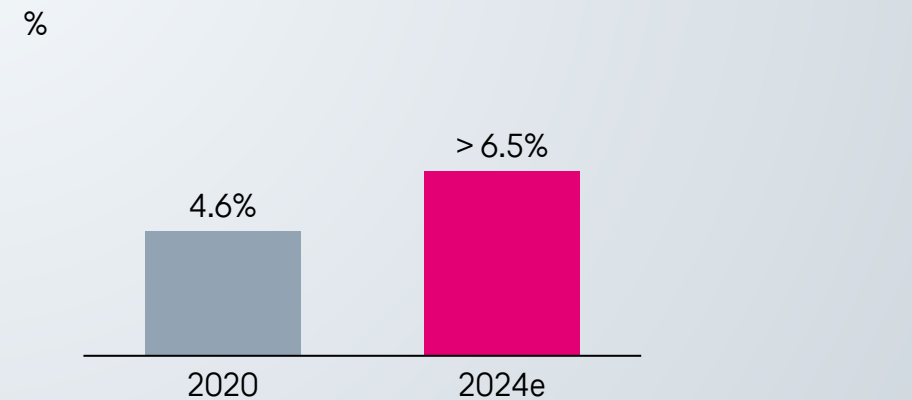
Adj. Core EBITDA AL



FCF AL



ROCE

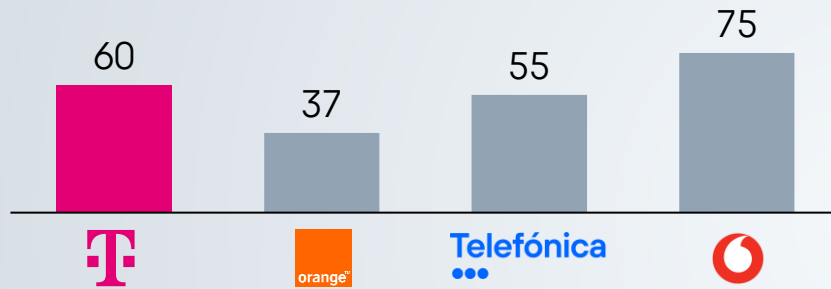


¹ As per guidance

...and outperforming peers on both sides of the Atlantic

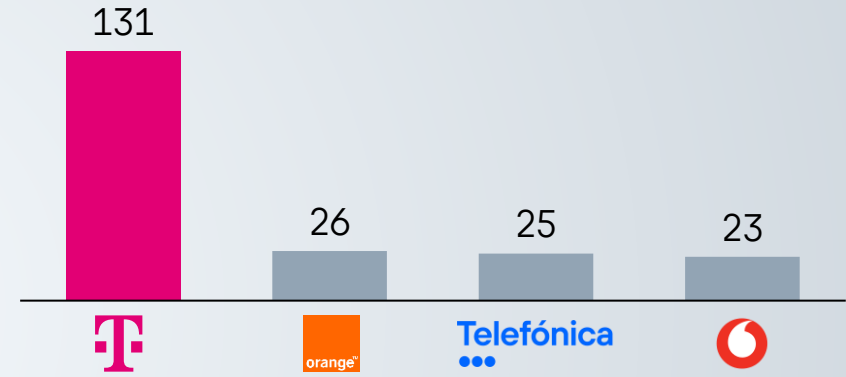
Just another Telco in 2014¹ ...

Market cap, € bn

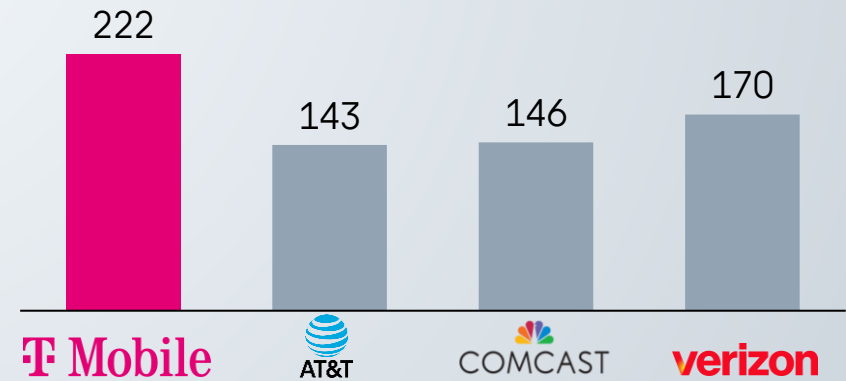
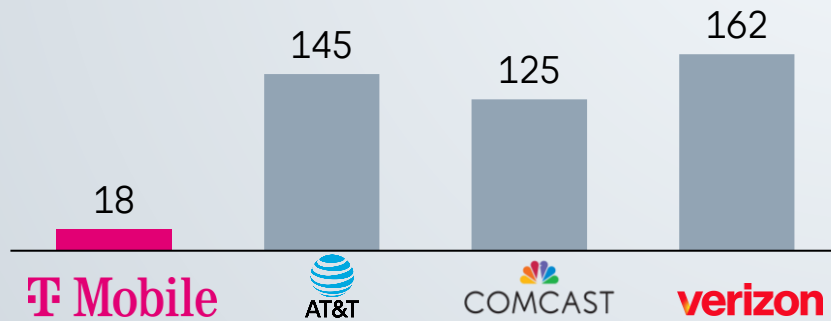


... to leading Telco in 2024²

Market cap, € bn



T-Mobile



¹ End of 2014; ² October 5th, 2024



Why T is different

T **Leading attitude** in everything we do

T **Customer delight & superior quality** is the best financial investment

T Never lose **Market share**

T **Sustainable growth & continuous transformation** is deeply rooted in our DNA

T **Long-term orientation** with persistent **short-term execution**

T **Smart portfolio management** yields additional superior value, no bad deals

T Unique balance between **global scale** & **local entrepreneurship**

T **A business with purpose** – no scandals & strong **ESG commitment**

T Radically transparent to create **trust** & **reliability**

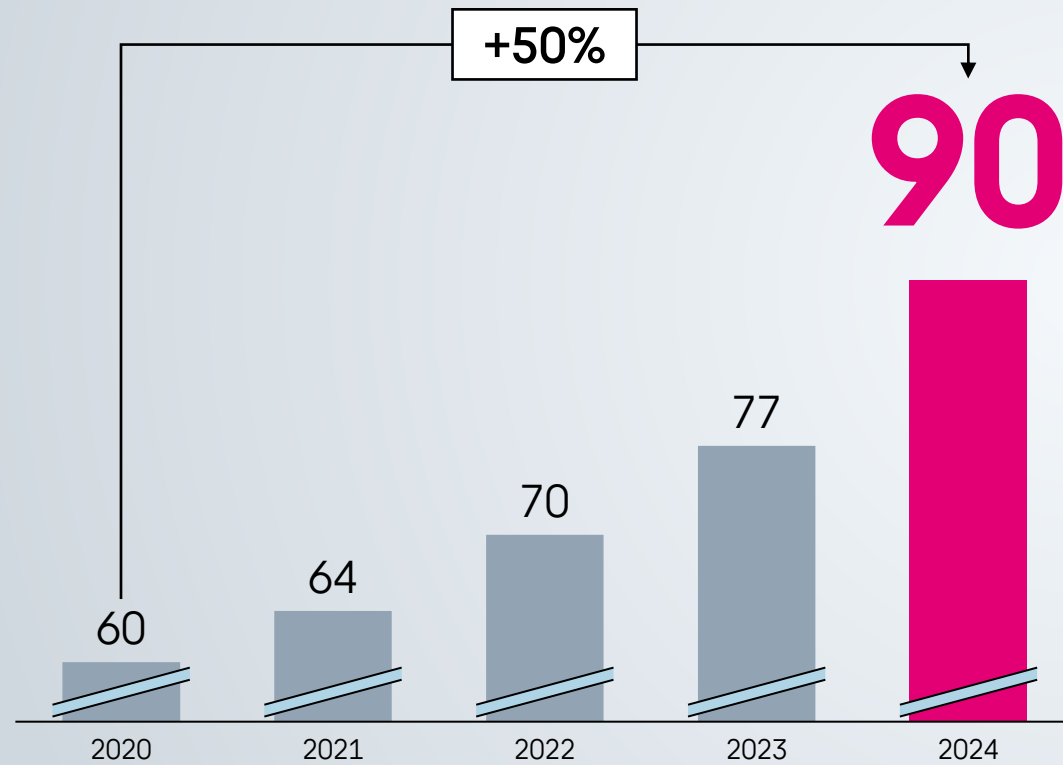
T **Best team** – passionate, diverse thinking & business ownership



Our strategy pays off for all shareholders

Dividend¹

€ Cent/share



DT share buyback 2024

UP TO €2bn



DT share buyback 2025

UP TO €2bn

¹ Subject to board resolutions & AGM approval



Strategy 2023–2027

Key industry trends shaping our strategy



- Reinventing **Customer experience** for products, service & interaction
- Changing the **way we work** – automation of tasks & increasing efficiency



- **Disaggregation & cloudification** of Telco stacks, **NT/IT convergence**
- **API-fication & orchestrating** network of networks



- **Commoditization, digitization & market saturation** requires differentiation
- **Opportunity for new ecosystems** as Big Tech & certain industries being challenged



- **“Telco as a platform”** – scalable, cloudified, API-based
- **Global ICT solutions & global partnerships** matter to achieve economies of scale

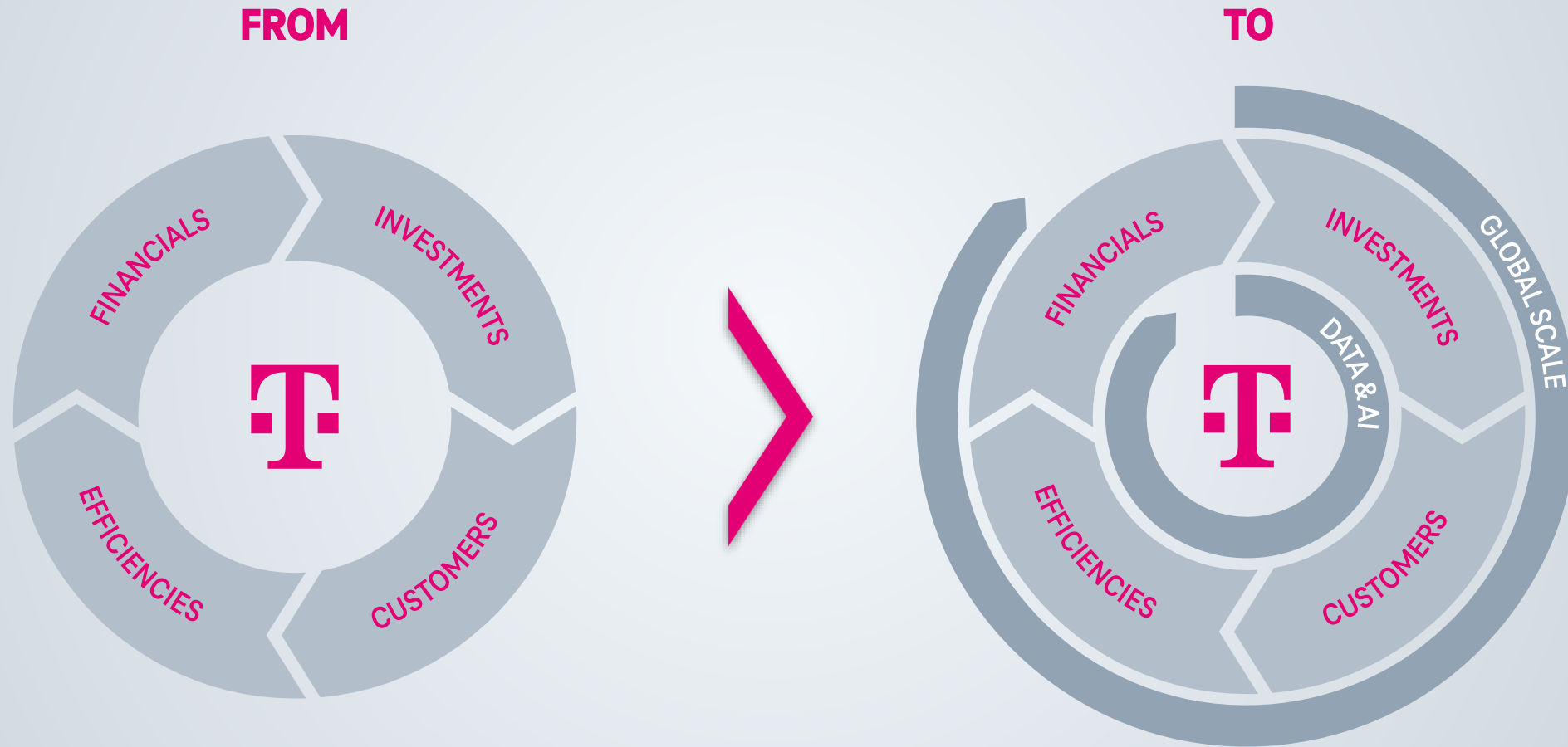


- **Digital transformation & secure networks** (e.g. IoT/Robotics, Private NWs)
- **Everything goes software** & growing demand for **“aaS” models** (e.g. NW-APIs)

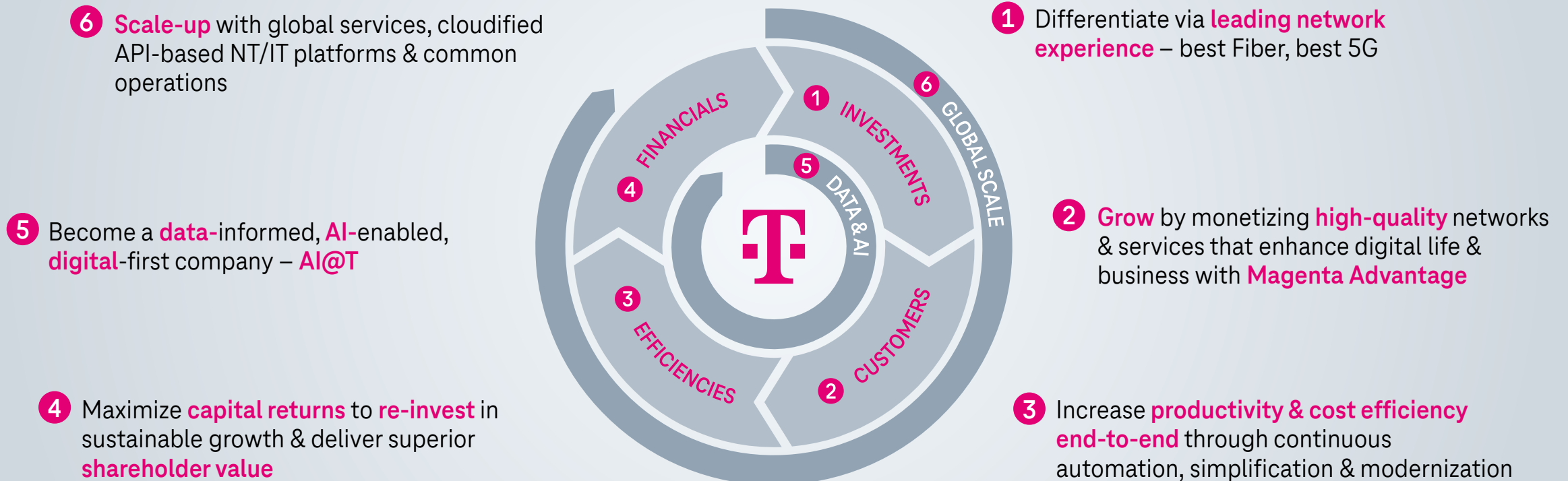


- **Economic, regulatory & political** polarization demand for strong values
- **Resilience turning critical** (e.g. supply side for western telcos)

Flywheel works – acceleration through data, AI and global scale



Our strategy: For our customers ... the Leading Digital Telco



We are **different** – superior brand, unique portfolio, best team, strong values & leading ESG ambitions



Leveraging Fiber to create long-term profitability



Capturing Fiber opportunity ...

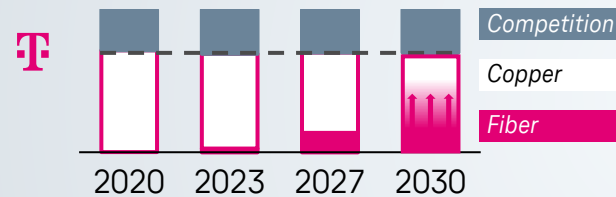
- best future network
- superior quality
- ARPU upside
- lower cost to operate
- green Fiber

... with ownership economics & high utilization

INFRA LEADERSHIP IN INCUMBENT MARKETS



BB market shares – Infra view¹



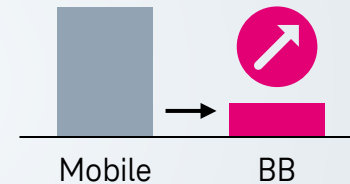
Stable or greater market share

- Copper to fiber migration
- Prepare copper de-commissioning

SMART INVESTMENTS IN NEW MARKETS



Market share



Leverage mobile position

- Selected rollout areas
- Leverage asset-light models (organic, JV & swaps)

Until 2027e

Total homes passed

~ 17.5 mn² (2.5 mn p.a.)

~ 13.5 mn³ (1.0 mn p.a.)

Fiber utilization

> 20%

> 35%

Until 2030e

Total homes passed

≥ 12–15 mn

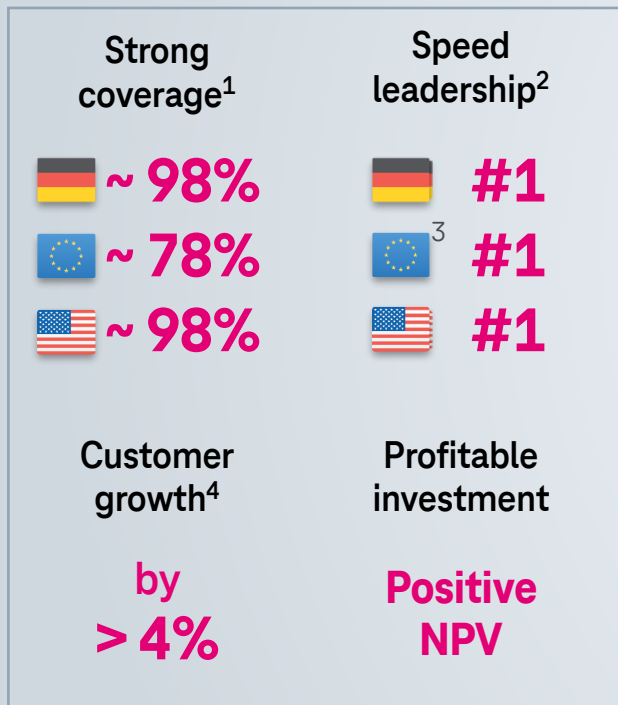
¹ Access lines, retail & wholesale; ² FTTH incl. JVs; ³ FTTH/B & Docsis 3.1 (1 Gbps) incl. own, funded & partner rollout but excl. wholebuy



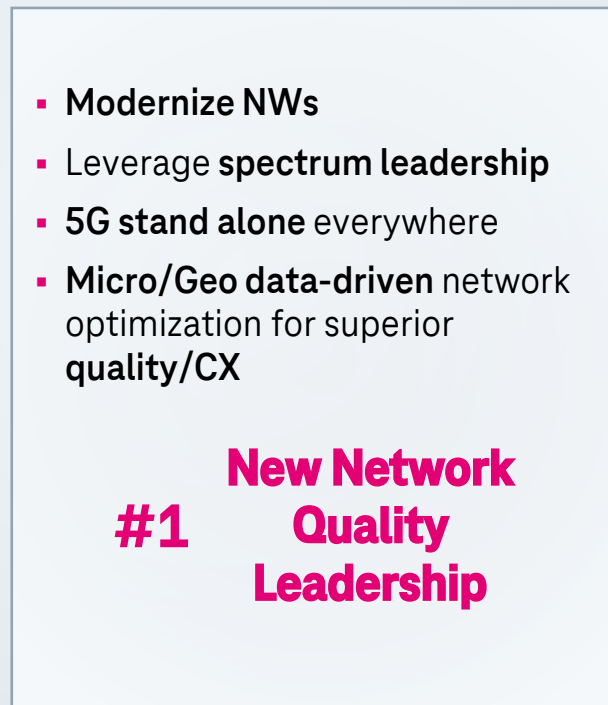
5G: We made it a winning strategy



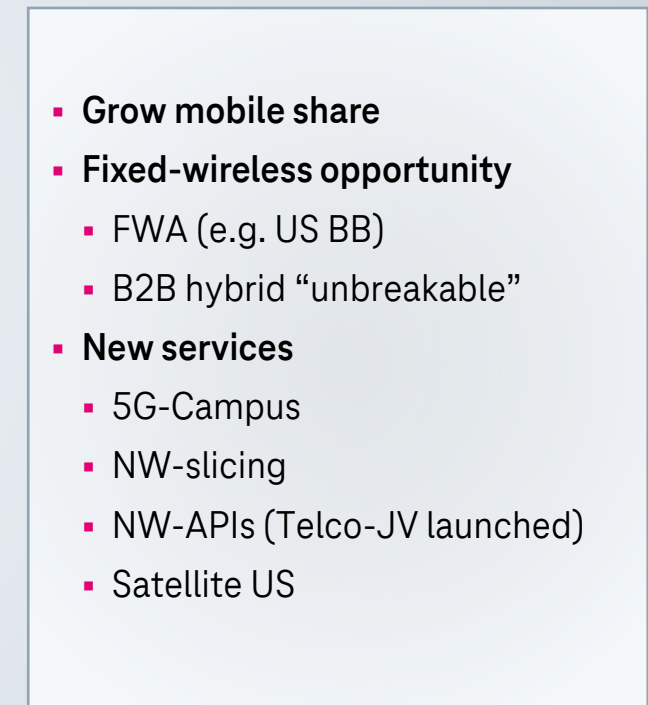
MARKET LEADING IN 5G TODAY



CUSTOMER DRIVEN NETWORK EXPERIENCE ...



... BRINGING MONETIZATION TO THE NEXT LEVEL



¹ 2024e excl. RO; ² According to opensignal.com 5G download speed, Aug 16th, 2024 & OOKLA; ³ Average 6 out of 10 NatCos, CZ, CR, GR, HU, MKD, PL; ⁴ CAGR 2020–2023, adjusted for disposal of FMC SIMs in RO

Unique global B2B setup incl. TSI to accelerate profitable growth



UNIQUE STARTING POSITION

~ €20 bn¹

Business

> 40k²

B2B FTE

~ 5 mn²

Accounts

#2

ICT provider EMEA³



STRATEGIC TRANSFORMATION LEVRS

Customer

Increase Large Enterprise SoW, outperform SMB, grow public (introducing T Priority in US), cross-sell TC & IT

Efficiency

Transform sales & delivery, digitization, AI & offshoring

T Systems

Transforming asset & integral part of DT's B2B differentiation

Portfolio

Integrated – grow in connectivity (5G, FWA & fiber) & boost IT (Cloud, Security, IoT & AI)

Scale

Collaborate across footprint (GER, EU & US) – MNCs, CoE & common brand

PROFITABLE GROWTH

Service revenue growth⁴

~ 5%



Profitability growth



Service revenue growth

¹ B2B service revenues; ² GER, EU & TSI; ³ PAC; ⁴ Incl. TSI, CAGR, 2023–2027e



Set-up for a data-informed, digital-first, AI enabled company



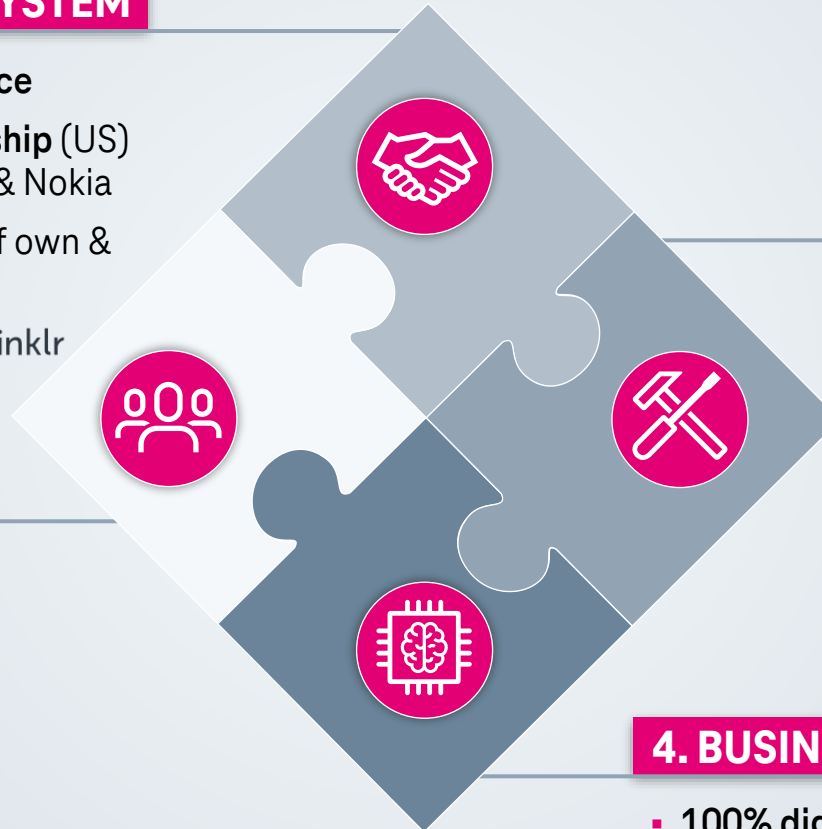
2. PARTNER ECOSYSTEM

- Global Telco AI Alliance
- AI RAN R&D partnership (US) with Nvidia, Ericsson & Nokia
- Smart combination of own & partner capabilities



1. ORGANIZATIONAL SET-UP

- AI Competence Center
- AI Factory T-Systems
- Nearshore CoE in HU
- AI Shared Services by DTSE
- Customer facing Detecon & MMS AI Consulting



3. EXISTING ASSETS

- LLM OS foundation & Telco LLM
- Common data platform & service fed by:
 - > 100 mn OneApp sessions¹
 - > 18 mn OneShop users¹
 - > 5.5 mn RDK router deployed
 - entire NT/IT stack
 - ...

4. BUSINESS INTEGRATION

- 100% digital customer channels leveraging AI@T
- Full end-to-end integration via API's

¹ Per month

Portfolio development: same discipline, new strength



UNIQUE POSITION OF STRENGTH

- ✓ #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”)

FURTHER OPPORTUNITIES TO ACCELERATE

-  DT and DT ex-US re-rating upside
-  Investment opportunities in attractive US market
-  Leveraging transatlantic scale
-  5G Towers & DT CEE towers as kingmaker assets
-  Strategic options for BT
-  DT Tech fund
-  Shareholder remuneration

Committed to lead and perform – again!

STRONGER FOUNDATION



SUPERIOR EXECUTION



ACCELERATION



VALUE CREATION



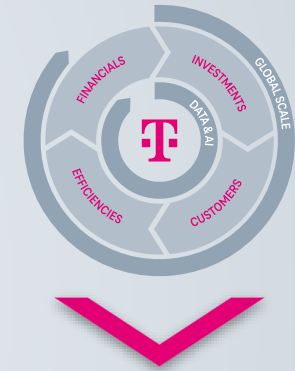
- Grow **US share** & strong **Portfolio** with optionality
- Solid **leverage** & **headroom**
- **T-Systems** a unique differentiator
- Strong **brand, values & ESG** commitments
- Rejuvenated industry leading **team**



- **Out-invest** competition
- Next-level **quality** approach
- **Win** in the market
- Capture the **Fiber** opportunity
- **5G** a winning story
- **B2B** profitable growth
- Ramp-up **beyond core**



- **Data** informed, digital first company
- **AI@T** everywhere for us & our customers
- Leverage **global scale**
- **Platform** economics



Unlock additional Market cap:

> €60 bn¹

- Adj. EPS: ~ **€2.5** in 2027e
- Dividends **40%–60%** of adj. EPS (2024e **€0.90²**)
- Share buyback of up to **€2 bn** in 2025

¹ Until 2027; ² Subject to board resolutions & AGM approval

Finance

Dr. Christian P. Illek (CFO)

Key messages – committed to deliver, again!

01

Strong delivery

We delivered on our key CMD commitments and will continue to do so in the future.

02

Strong top line growth ahead...

We foresee strong revenue and EBITDA growth to continue, on both sides of the Atlantic.

03

...and for the bottom line

We will increase adj. EPS to around €2.5 and ROCE to ~ 9% in 2027e.

04

Growth in Capex and FCF

DT ex US EBITDA growth to drive both higher investments and ex US FCF AL growth.

05

Attractive shareholder remuneration

We propose an attractive shareholder remuneration package for the 2025 calendar year (dividend & €2 bn share buyback).

06

Accretive capital allocation

We will use potential surplus funds for further EPS accretion, including from TMUS stake increases and DT share buybacks.

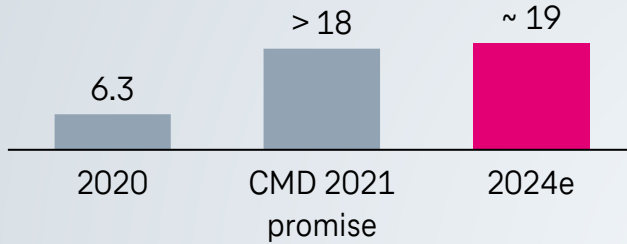
Strong delivery against 2021 CMD financial commitments...



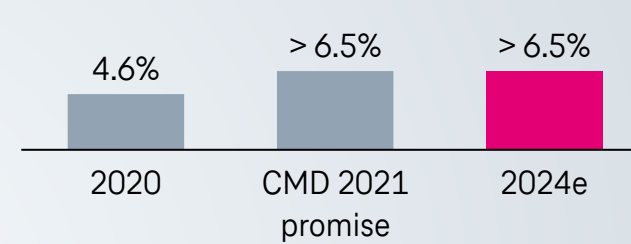
Growth in FCF AL



€ bn



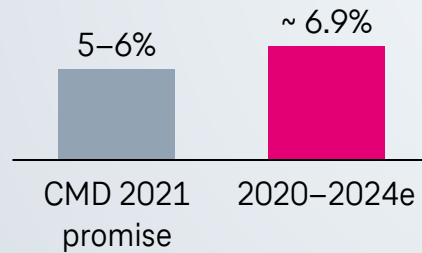
Growth in ROCE



Growth in adj. Core EBITDA AL



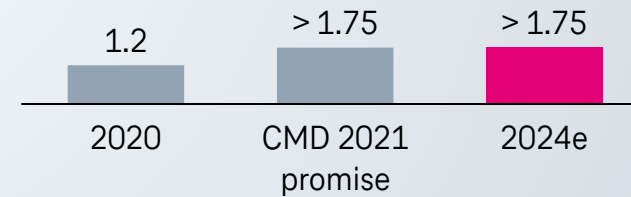
CAGR (organic)



Growth in adj. EPS



€/share



Capital allocation targets:

TMUS stake > 50% (2024e > 50%)



Leverage ≤ 2.75x (2024e < 2.75x)



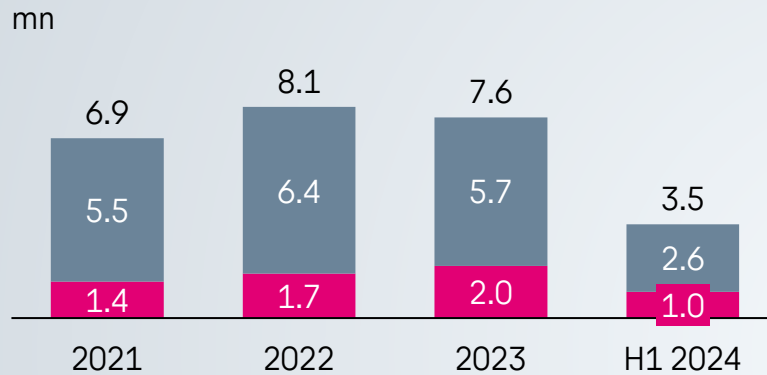
Dividend 40-60% of adj. EPS



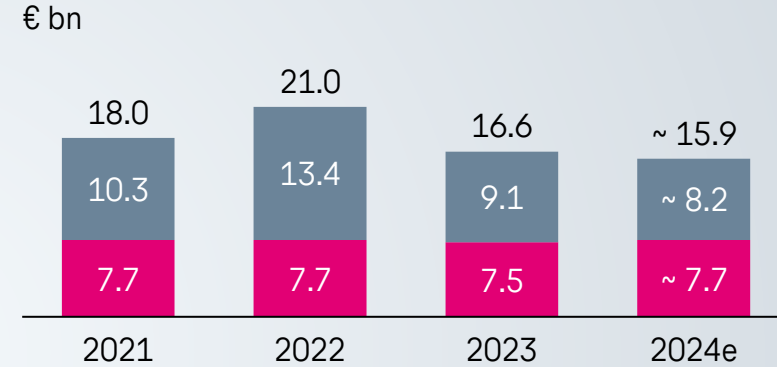
...based on investment which drove superior Customer growth



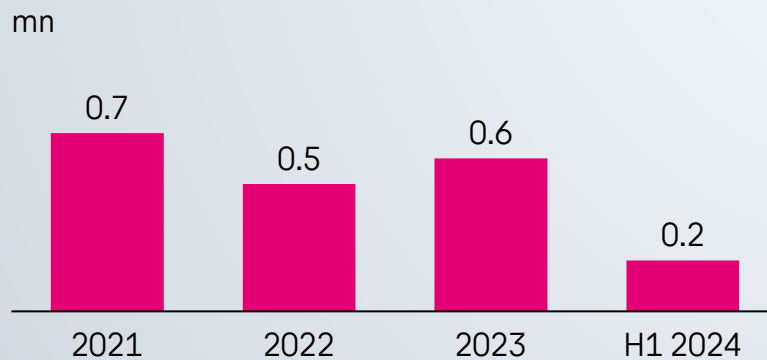
Mobile net adds¹



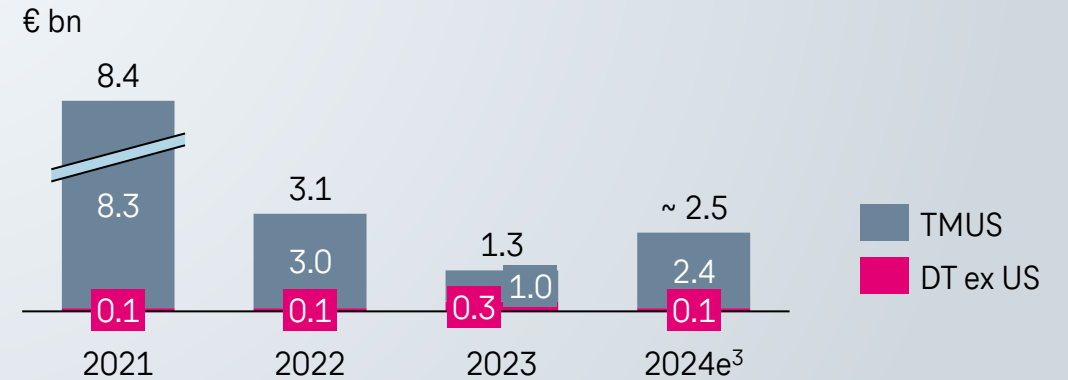
Cash Capex²



Broadband net adds



Spectrum spend



¹ DT ex US: Contract net adds, TMUS: Postpaid net adds; ² Without spectrum, TMUS figures according to IFRS; ³ Only completed spectrum acquisitions



CMD 2021 ambition: almost all commitments fulfilled



KPI	Time frame	Ambition as presented (adjusted)	Achievement 2024e ⁴	
Revenues (Group)	2020–2024e	CAGR +1–2%	CAGR ~ 2.1%	✓
Total service revenues (Group)	2020–2024e	CAGR +3–4%	CAGR ~ 3.6%	✓
Adj. EBITDA AL (Group)	2020–2024e	CAGR +3–5%	CAGR ~ 3.3%	✓
Adj. Core EBITDA AL (Group)	2020–2024e	CAGR +5–6%	CAGR ~ 6.9%	✓
Adj. EBITDA AL (DT ex US)	2020–2024e	CAGR +2–3%	CAGR ~ 3.6%	✓
FCF AL (Group)	2024e	> €18 bn (~ €18.3 bn ¹)	~ €19.0 bn	✓
FCF AL (DT ex US)	2024e ³	€4 bn (~ €3.5 bn ¹)	~ €3.5 bn	✓
Adj. EPS (Group)	2024e	> €1.75	> €1.75	✓
ROCE (Group)	2024e	> 6.5%	> 6.5%	✓
Cash Capex (DT ex US)	2024e	~ €8.2 bn (~ €7.6 bn ¹)	~ €7.7 bn	✓
Adj. IDC AL (DT ex US) ²	2020–2024e	Reduction by €1.2 bn	~ €0.0 bn	✗
Leverage (Group) incl. leases	2024e	≤ 2.75x	< 2.75x	✓

¹ Adj. by NL, RO fixed and GD Towers, F/X (USD 1.08 instead of 1.14); ² Excl. HU Telco tax; ³ Excl. dividends paid (TMUS) and incl. shareholder loan GD Towers; ⁴ All CAGR organic

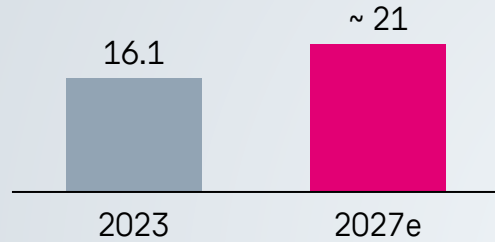


Strong growth set to continue



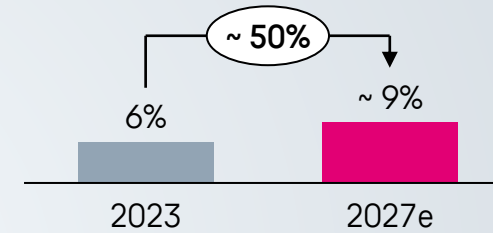
FCF AL¹

€ bn



- US cash tax normalization

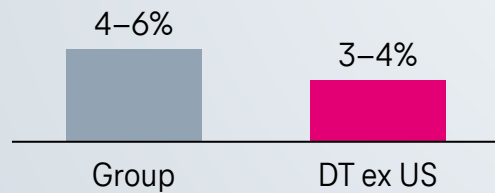
ROCE²



- Growth in EBITDA and US Capex normalization

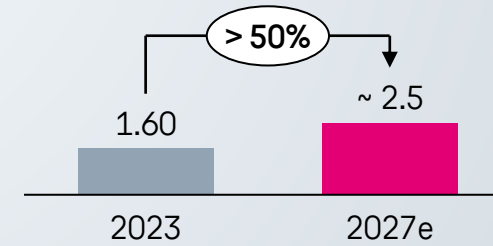
EBITDA AL

CAGR 2023–2027e



- Sector-leading growth

Adj. EPS



- > 50% growth in adj. EPS driven by business growth and accretion

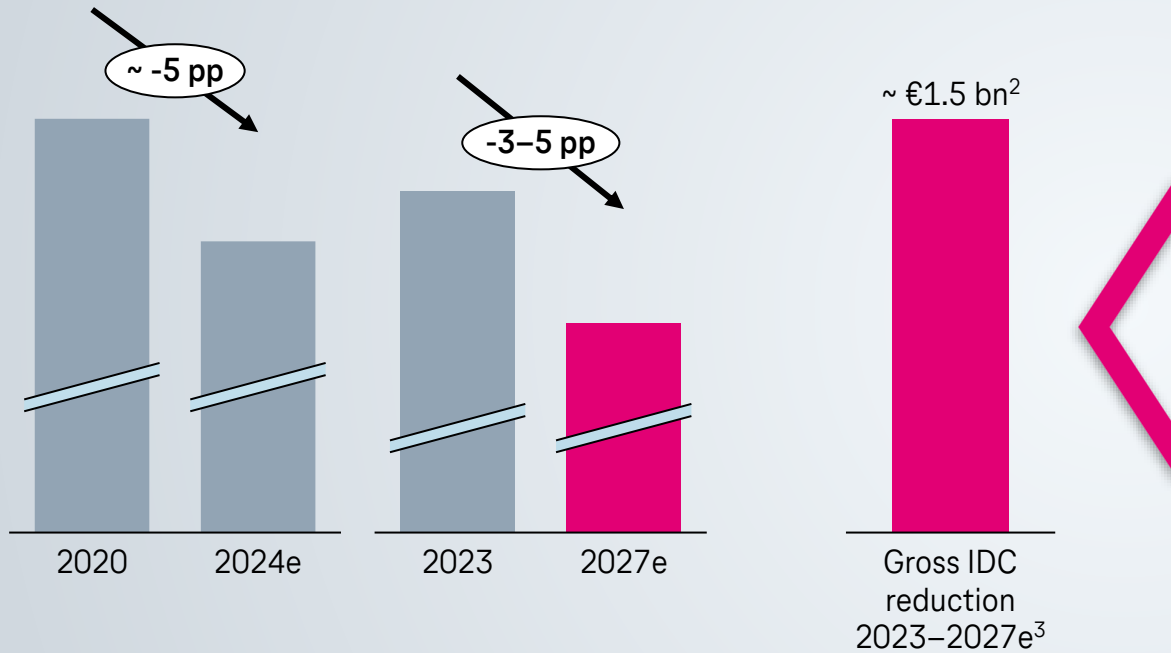
¹ Based on €1 = \$1.08; ² 2023 ex GD Towers gain



We see multiple levers for further efficiency improvements



IDC/Service revenues DT ex US¹



Key levers and expected impact going forward

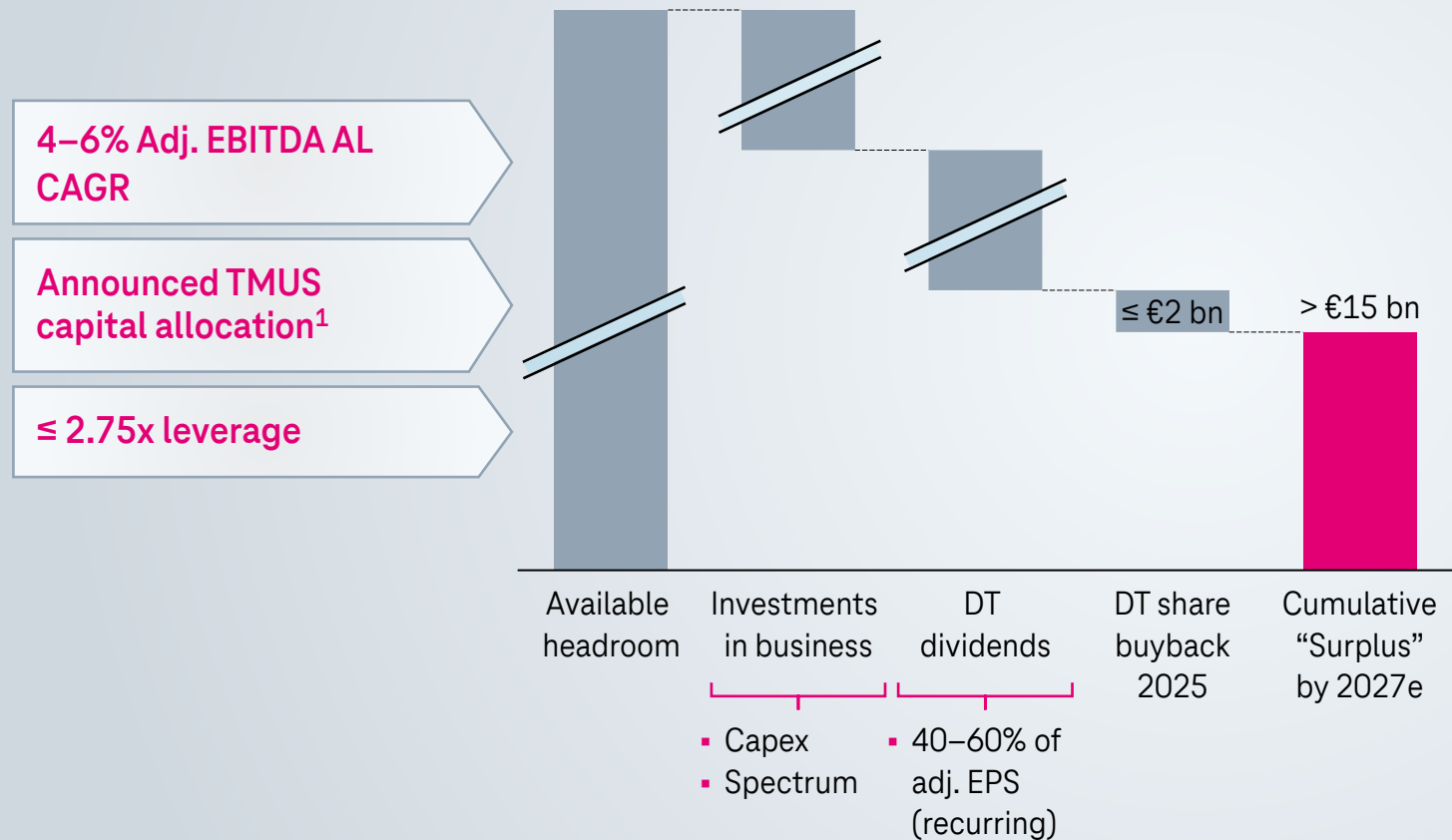
	Artificial intelligence & automation	~ €0.7 bn ⁴
	Network Scaling	~ €0.1 bn
	Real Estate & Procurement	~ €0.4 bn
	Other	~ €0.4 bn

- All segments are expected to contribute
- Headwind from higher inflation rates to be mitigated by additional efficiencies



¹ Adj. IDC AL as % of Service revenues, organic, excl. HU Telco tax; ² Differences due to rounding; ³ Midpoint of Service revenue midterm ambition; ⁴ Technology and other

“Surplus” funds to be used for higher TMUS stake & DT buybacks

Key determinants of cumulative “Surplus” by 2027e



Uses for “Surplus”

-  Higher TMUS stake²
-  Additional DT share buybacks

- Both uses of surplus are accretive to DT’s adj. EPS
- Maintaining strategic flexibility

¹ TMUS CMD: up to \$50bn stockholder returns, ~ \$20bn additional capacity, and ~ \$10bn strategic investments; ² Vs. baseline stake of 50.4%

Customer focus translating into strong profitable growth



GROUP LEVEL KPI	AMBITION 2023–2027E		KPI DRIVERS
Service revenues	~ 4%	CAGR	Business growth
Adj. EBITDA AL	4–6%	CAGR	Operational leverage
Adj. EPS	> 11% ¹	CAGR	Growth & capital allocation
Cash Capex/Service revenues ²	~ 21%	in 2027e	Invested for growth
FCF AL	~ €21 bn ³	in 2027e	Cash generation
ROCE	~ 9%	in 2027e (> WACC)	Growing profit
Net debt/adj. EBITDA	≤ 2.75x		Financial discipline

¹ Absolute adj. EPS ~ €2.5 in 2027e; ² DT ex US; ³ Based on €1 = \$1.08

Our midterm commitments

KPI	Midterm ambition level ¹	Year
Revenues	Group: CAGR ~ 4%	2023–2027e
Total service revenues	Group: CAGR ~ 4%	2023–2027e
Total service revenues	DT ex US: CAGR 2.5–3%	2023–2027e
Adj. EBITDA AL	Group: CAGR 4–6%	2023–2027e
Adj. EBITDA AL	DT ex US: CAGR 3–4%	2023–2027e
IDC/Service revenues ²	DT ex US: -3–5%	2023–2027e
Cash Capex ³	DT ex US: ~ €8 bn ~ 21% of Service revenues	2027e
FCF AL	Group: ~ €21 bn	2027e
FCF AL	DT ex US: €3.7–3.9 bn	2027e
Adj. EPS	Group: ~ €2.5	2027e
ROCE	Group: ~ 9% ⁴	2027e
Leverage	Group: ≤ 2.75x	2023–2027e

¹ Based on €1 = \$1.08; ² Adj. IDC AL, excl. HU Telco tax; ³ Excl. spectrum; ⁴ Excl. 2023 GD Towers gain

Q&A



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CAPITAL MARKETS DAY 2024

Press conference
October 11, 2024



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