

# Deutsche Telekom Company Presentation for Investors

November 2024



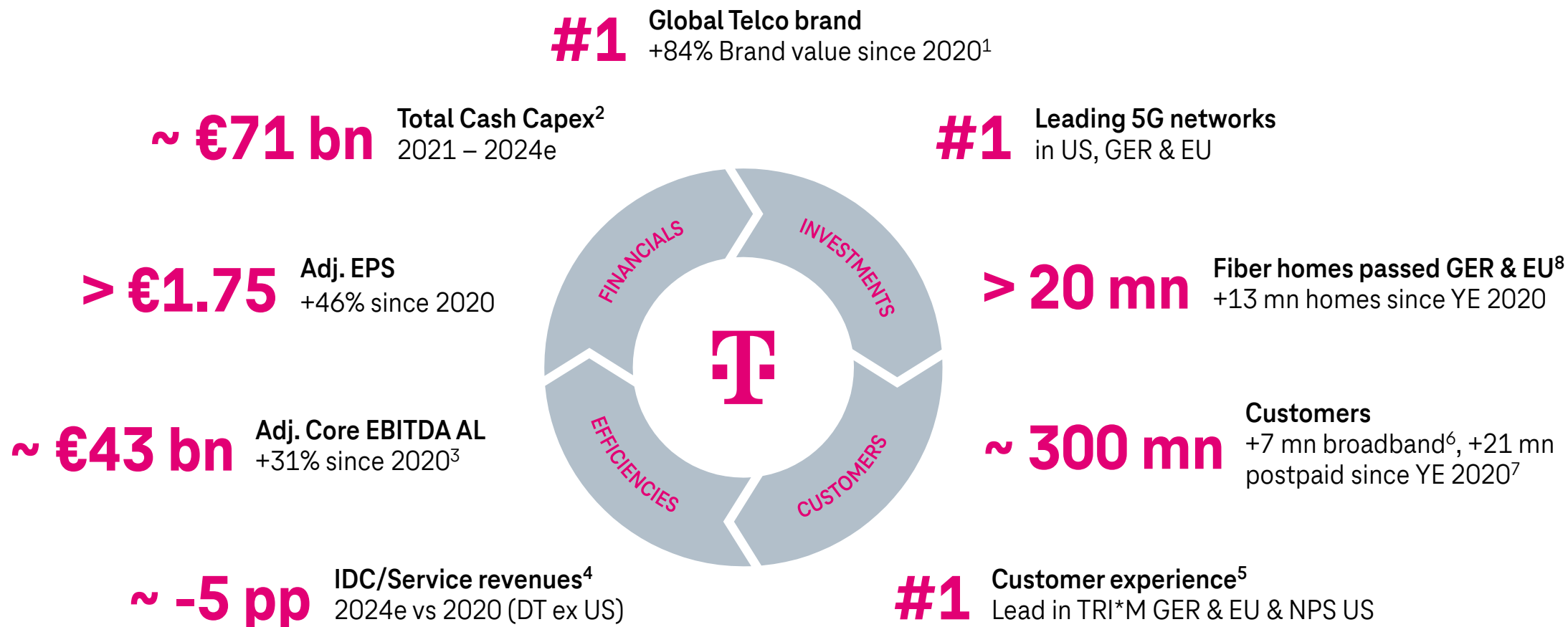
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This presentation contains forward-looking statements that reflect the current views of Deutsche Telekom management with respect to future events. These forward-looking statements include statements with regard to the expected development of revenue, 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.

# Stronger than ever – tough to compete with us



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

<sup>5</sup> 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; <sup>6</sup> Q2 2024, incl. US FWA customers; <sup>7</sup> Q2 2024 excl. US FWA customers;

<sup>8</sup> 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



## Customer experience

**#1** in GER & EU  
based on TRI\*M<sup>2</sup>

**#1** in the US  
based on NPS<sup>2</sup>

## Winner of all relevant awards

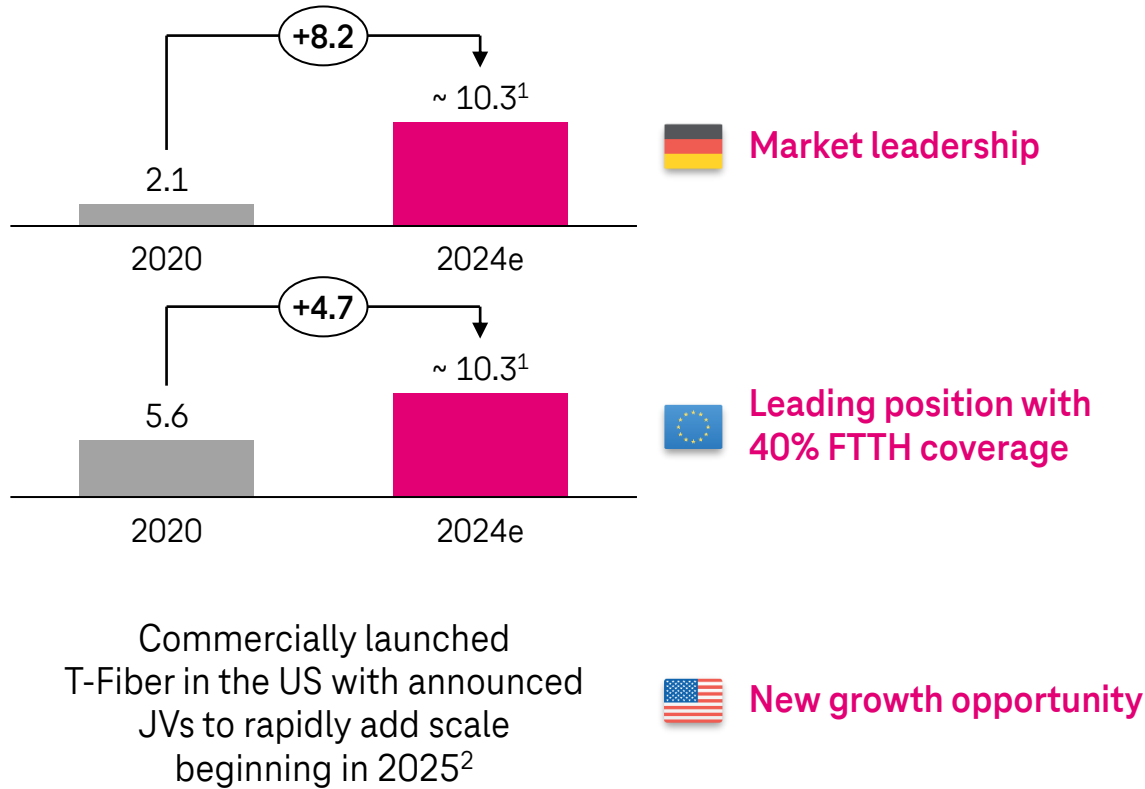


<sup>1</sup> Brand Finance; Note: Brand value 01/2024; <sup>2</sup> EU: #1 in 8 out of 9 countries B2C 12M avg. as of Q2 2024 excl. RO, GER: B2C Q2 2024, B2B YE 2023, US: Q2 2024

# Leading positions in Fiber and 5G

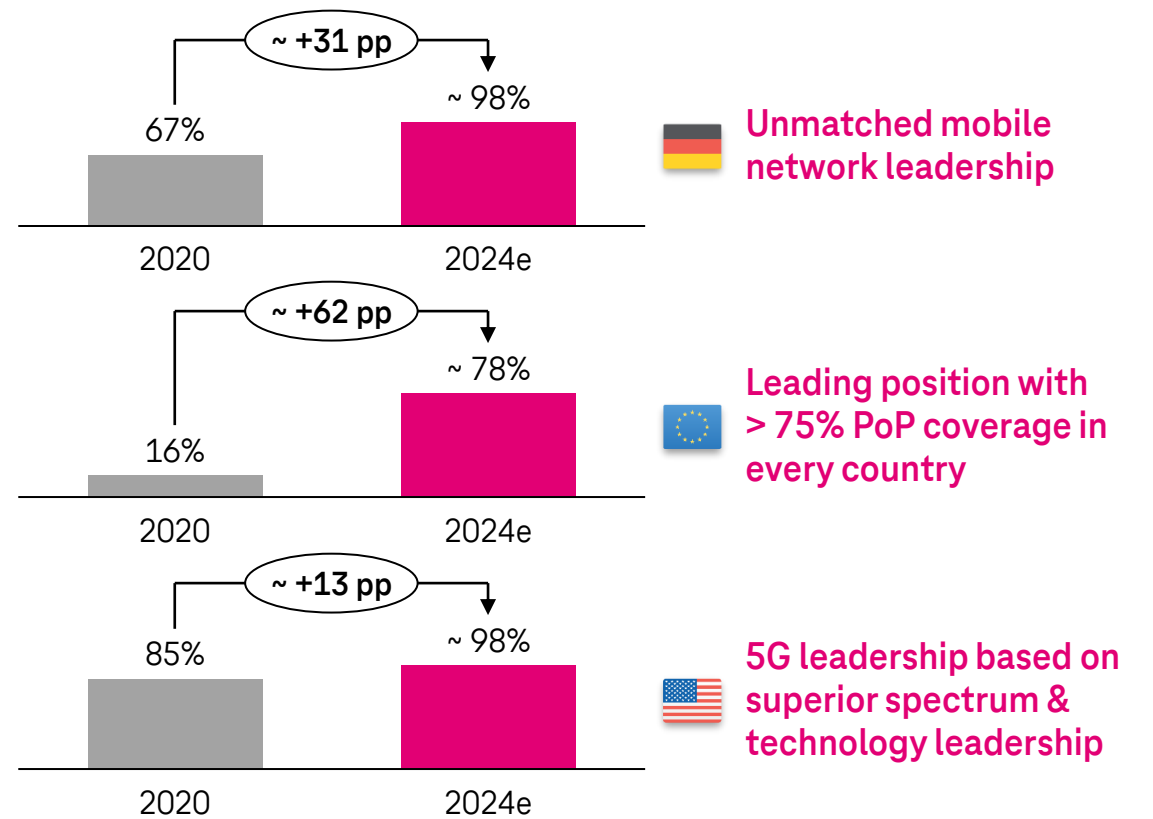
## FTTH

Homes passed, mn



## 5G Coverage

% of population



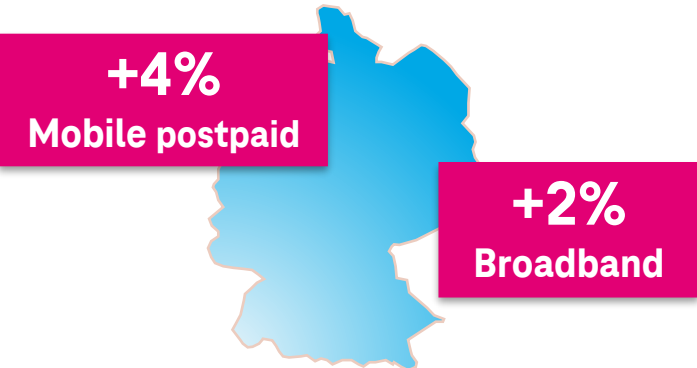
<sup>1</sup> GER: FTTH homes passed incl. JVs; EU: FTTH/B & Docsis 3.1 (1 Gbps) homes passed incl. own, funded & partner rollout but excl. wholebuy; <sup>2</sup> Based on Lumos & Metronet JVs (pending regulatory approval)

# Customer growth in all markets

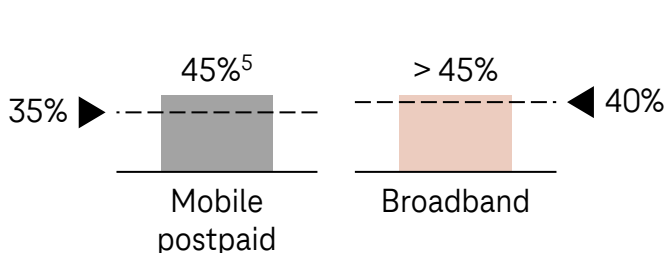
GER



Customers, CAGR 2020–2023



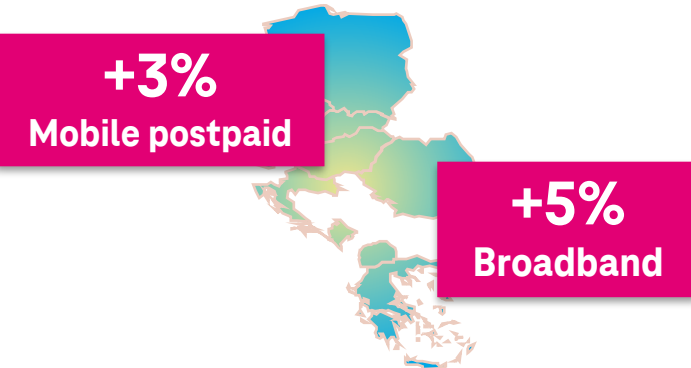
Net add share & Market share<sup>4</sup>



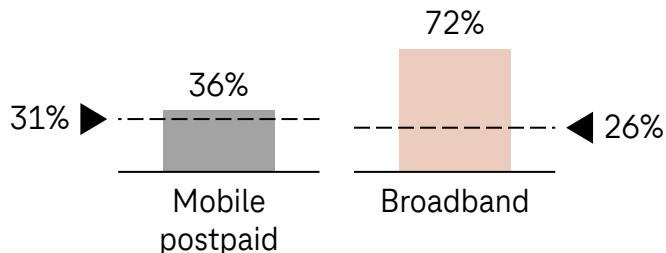
EU<sup>1</sup>



Customers, CAGR 2020–2023



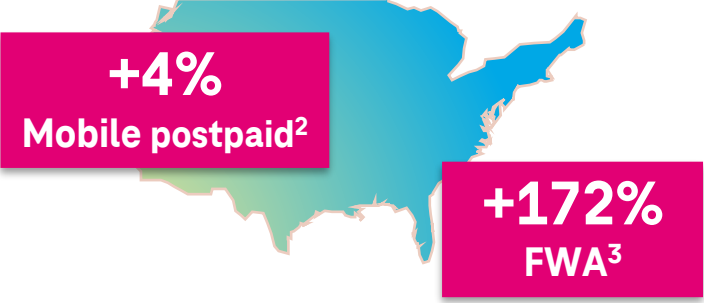
Net add share & Market share<sup>4</sup>



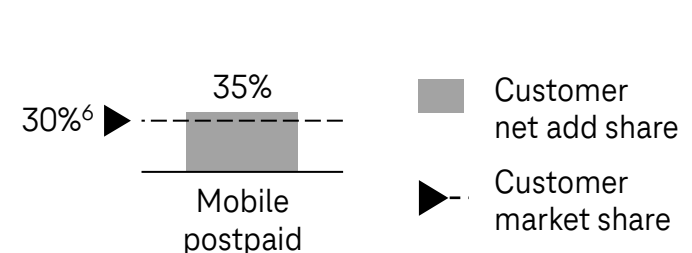
US



Customers, CAGR 2020–2023



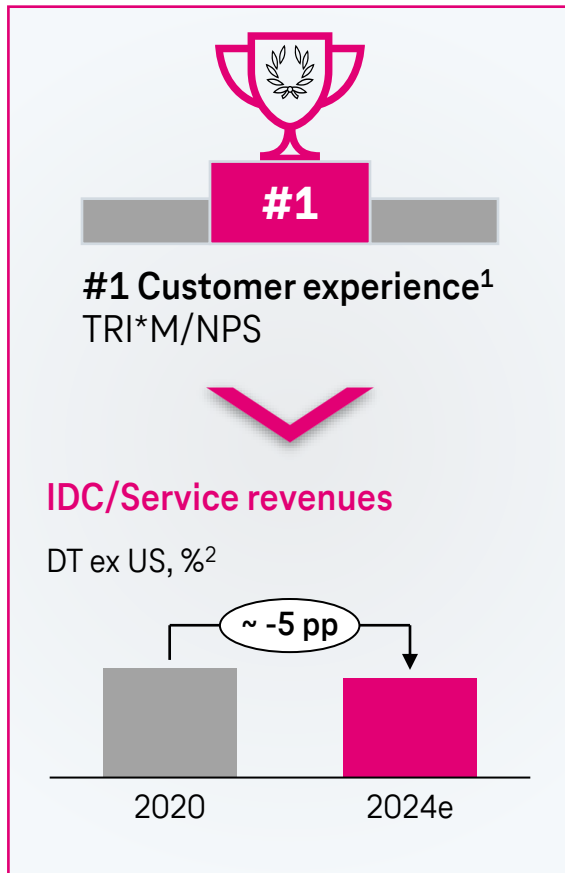
Net add share & Market share<sup>2,6</sup>



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

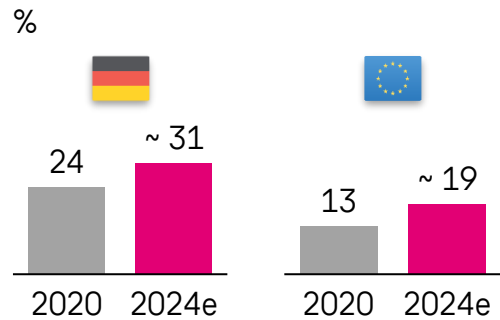


# Customer experience focus is driving digital transformation

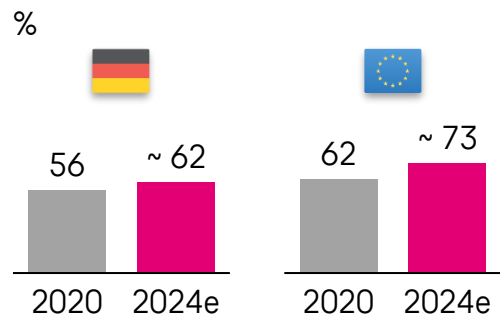


## SALES

### eSales share

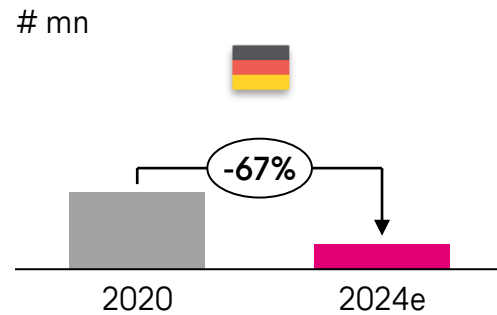


### OneApp penetration

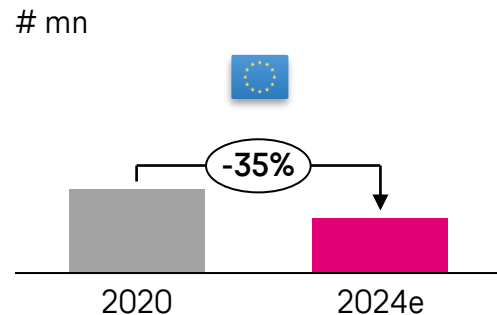


## SERVICE

### Claims & complaints

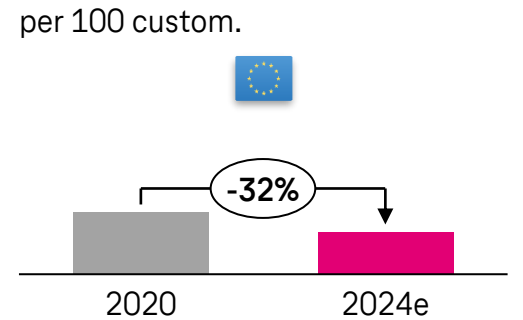


### Non-sales contacts<sup>3</sup>

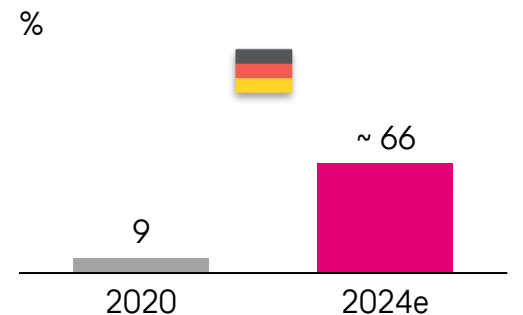


## OPERATIONS

### Reactive Truck Rolls



### NW Cloudified workload



<sup>1</sup> 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; <sup>2</sup> Adj. IDC AL as % of Service revenues, organic, excl. HU Telco tax; <sup>3</sup> Excl. RO

# Delivering on our environmental & social commitments

## CLIMATE



**-23%**

in **Scope 1–3 emissions**<sup>1</sup>  
in 2023 vs. 2020  
(Scope 1&2: -95% 2023 vs. 2017<sup>1</sup>)

**> 2x**

**Energy efficiency**  
more than doubled  
2024e vs. 2020

## CIRCULARITY



**61%**

**Fixed-line device takeback**<sup>2</sup>  
in 2023  
(25% for mobile devices)

**NO**

**ICT waste to landfill**<sup>4</sup>  
since 2022

## SOCIAL



**51 mn**

**People benefited**<sup>3</sup>  
Mainly from our digital inclusion activities in  
2023 (+84% since 2021)

**€1.5 bn**

in contribution to  
**social initiatives** in 2023

<sup>1</sup> Organic; <sup>2</sup> Modems, routers, repeaters and TV receivers; <sup>3</sup> Incl. “crisis mitigation” and “low carbon & circular society”; <sup>4</sup> 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

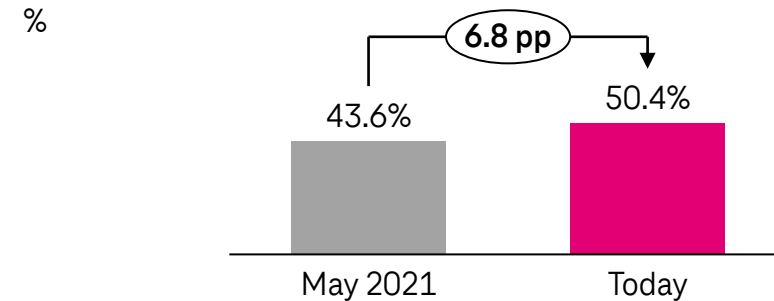
### DTCP

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

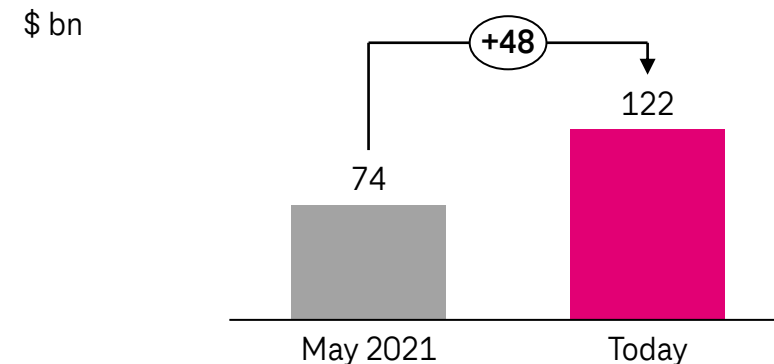


## ... & CREATED VALUE WITH TMUS

### DT TMUS stake



### Value of DT TMUS stake

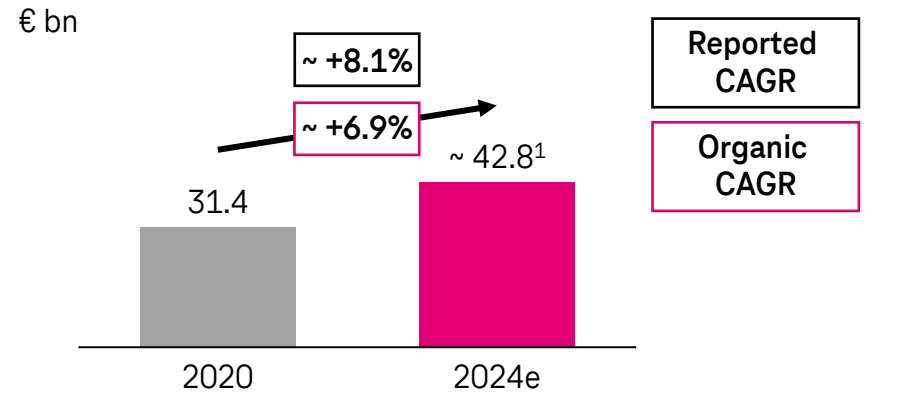


# Result: Growing in all key financials...

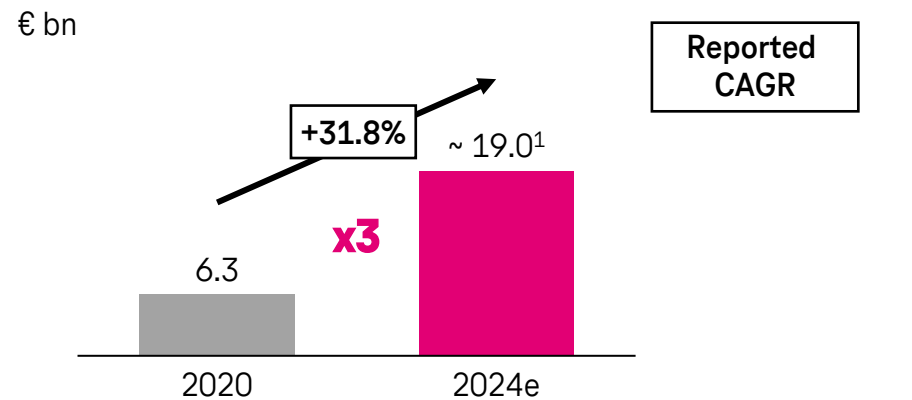
## Service revenues



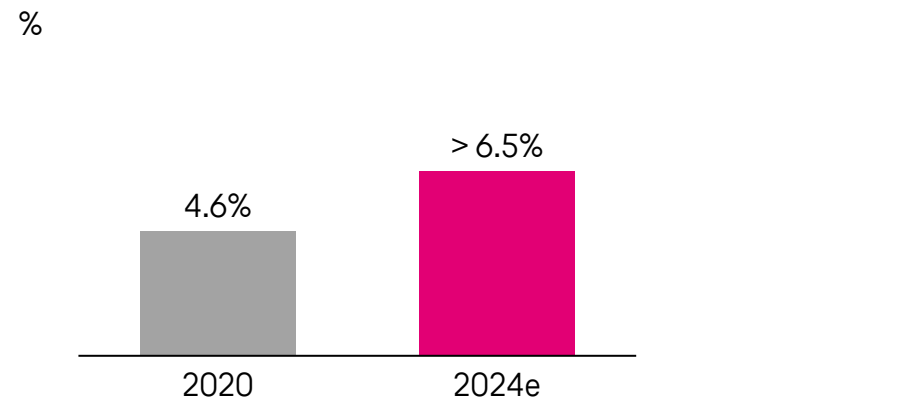
## Adj. Core EBITDA AL



## FCF AL



## ROCE

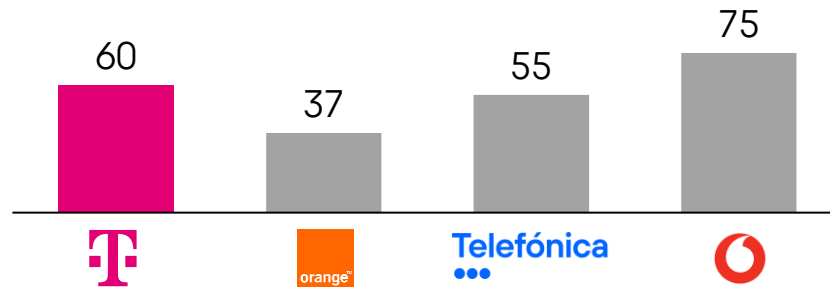


<sup>1</sup> As per guidance

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

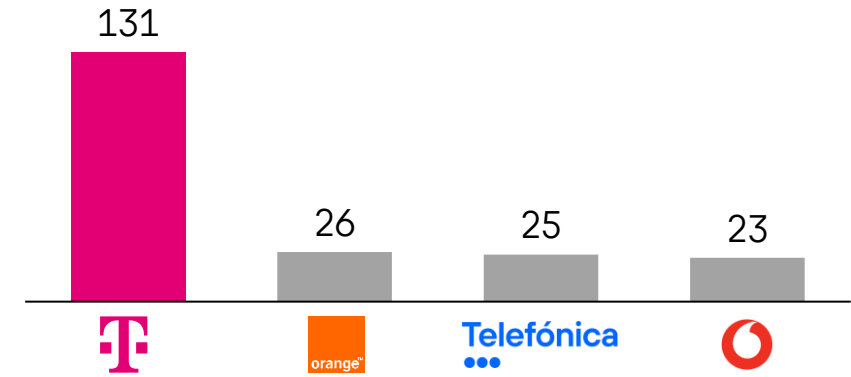
Just another Telco in 2014<sup>1</sup> ...

Market cap, € bn

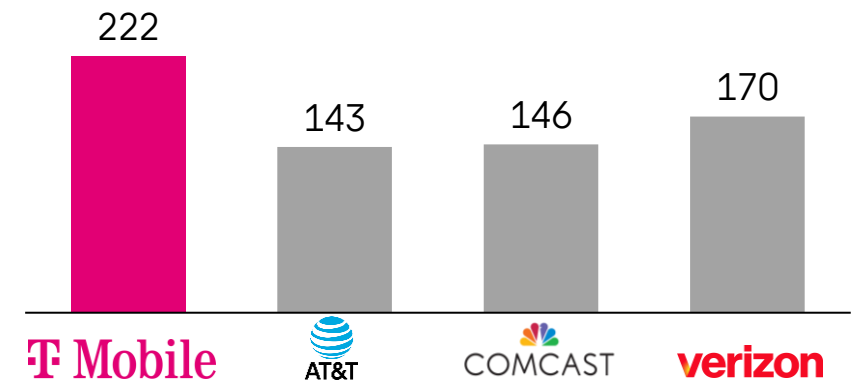
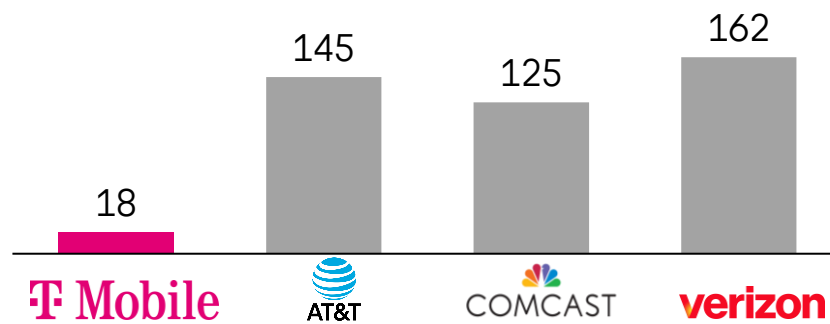


... to leading Telco in 2024<sup>2</sup>

Market cap, € bn



T-Mobile

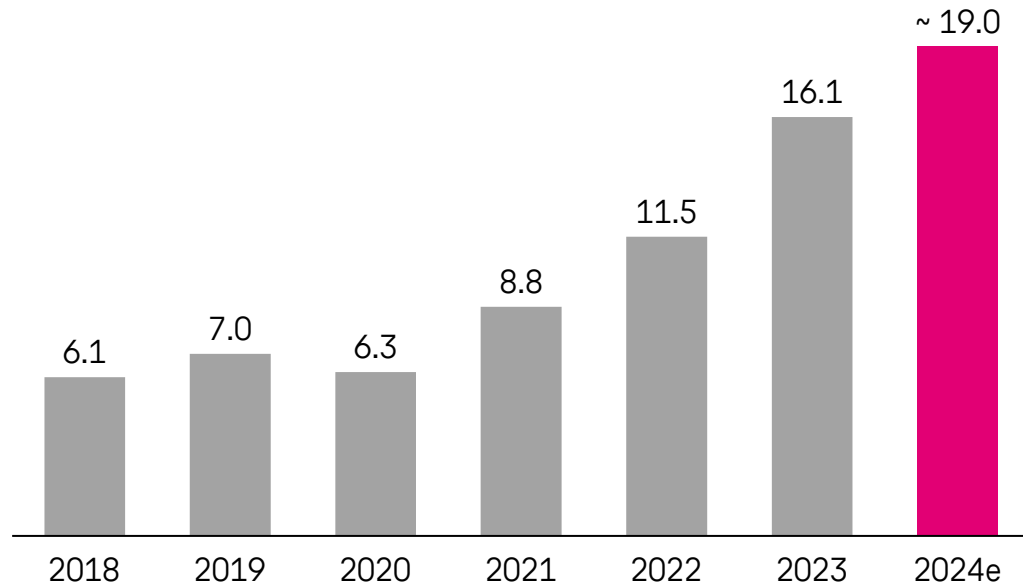


<sup>1</sup> End of 2014; <sup>2</sup> October 5<sup>th</sup>, 2024

# Consistent reliable growth

## FCF AL

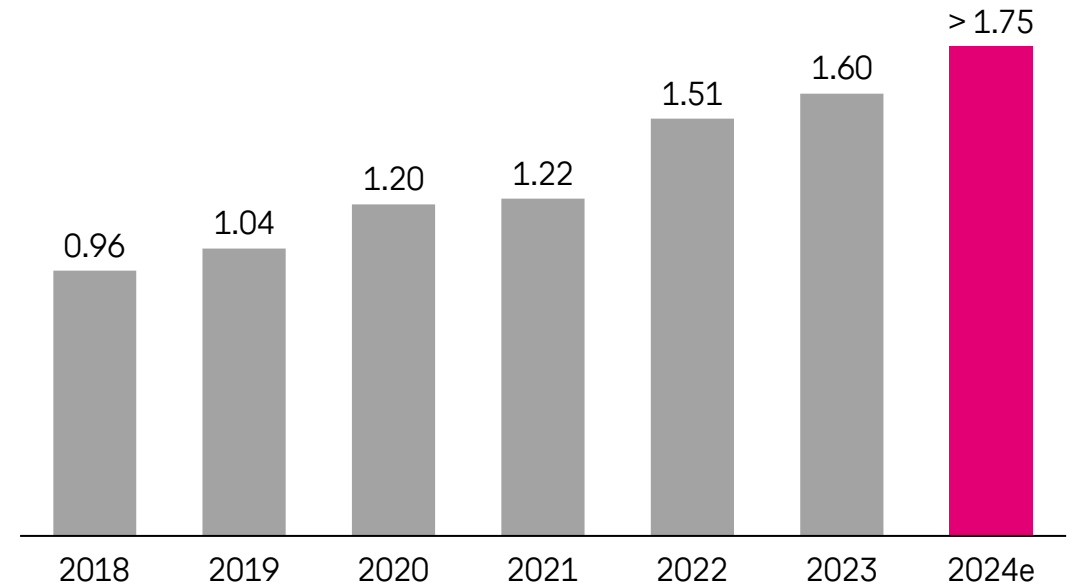
€ bn



Temporary dip due to accelerated US merger implementation

## Adj. EPS

€



EPS growth driven by strong growth in adj. EBITDA AL

# 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**

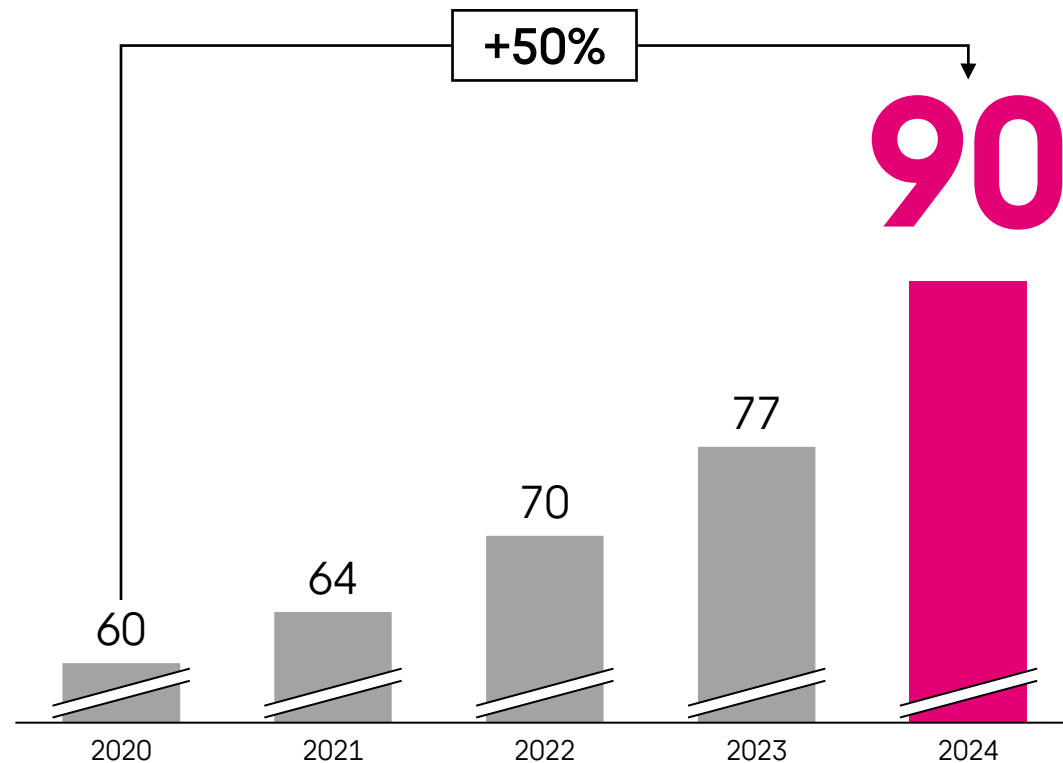
**T** Radically transparent to create **trust** & **reliability**

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

# Our strategy pays off for all shareholders

## Dividend<sup>1</sup>

€ Cent/share



## DT share buyback 2024

UP TO €2bn



## DT share buyback 2025

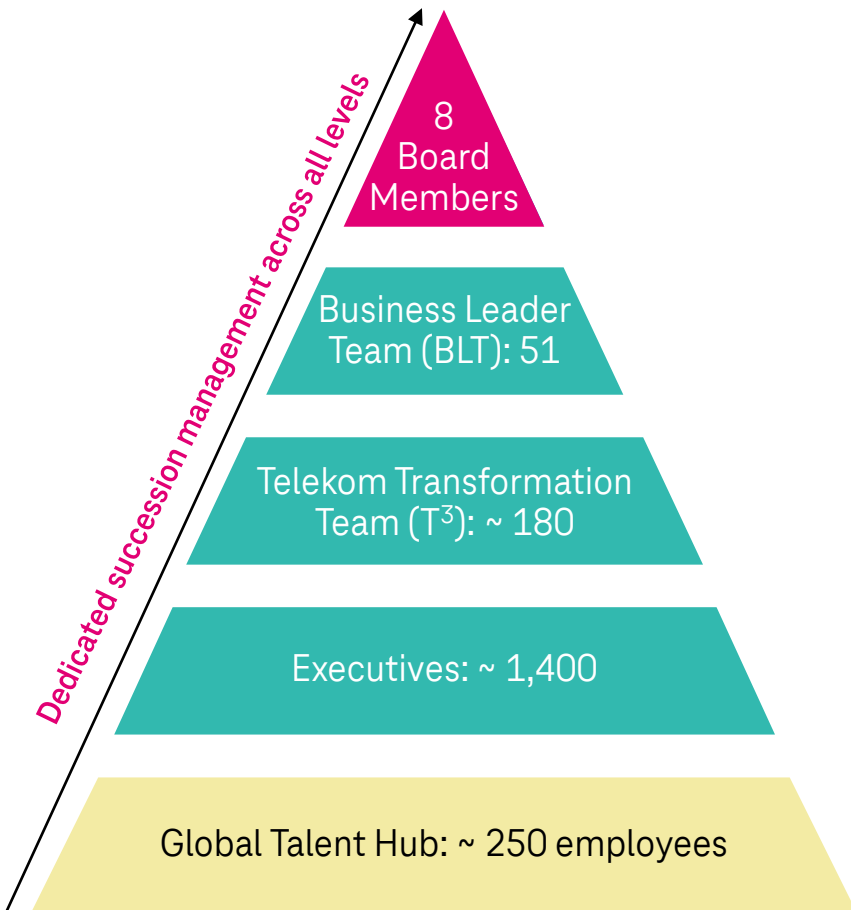
UP TO €2bn

<sup>1</sup> Subject to board resolutions & AGM approval



# People Strategy

# Best Team in the Industry with a strong leadership pipeline



## Renewed

- 13 internal & 6 external hirings for BLT since 2021
- 60% of BLTs & 70% of T<sup>3</sup>s less than 5 years in community
- Streamlining the executive team by ~ 280 since 2020
- Strong succession pipeline (internal and external)

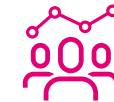
## Diverse

	Female share	Int'l. experience	∅ Age
BLT	24% (2020: 13%)	> 40%	52 years (2020: 52 years)
Execs DT	23% (2020: 20%)	n.a	50 years (2020: 50 years)

## Recognized<sup>1</sup>

- “Leadership team stronger than market benchmark (...) ranging in 95<sup>th</sup> percentile”

## Until 2027<sup>e</sup>



Refresh leadership team

**30%** Female share



More global leadership team

**> 80%** Diverse age distribution

<sup>1</sup> Egon Zehnder

# Fostering our Magenta spirit and performance culture of our leaders

## PERFORMANCE BASED COMPENSATION



### Pay for performance

- Collective targets for STI and LTI
- Salary review<sup>1</sup> based on individual performance
- Spot bonus for outstanding performance

### Customer/People/ESG focus

- Remuneration targets incl. Employee- and Customer satisfaction since 2010
- Environmental targets since 2021

## STRONG COMMITMENT



### PULSE Survey

- Excellent employee survey results for our leaders<sup>2</sup>:
  - “Culture” with 90% (2020: 90%)
  - “Strategy” with 96% (2020: 95%)

### Skin in the game

- 96% of executives participated in stock plan in 2023 (2021: 56%)

## TEAM BUILDING & GROWTH MINDSET



### BLT & T<sup>3</sup> Learning journey

- Community building and culture shaping
- Thought-provoking visits
- Digital learning platform for leaders

### Magenta Exchange program with TMUS

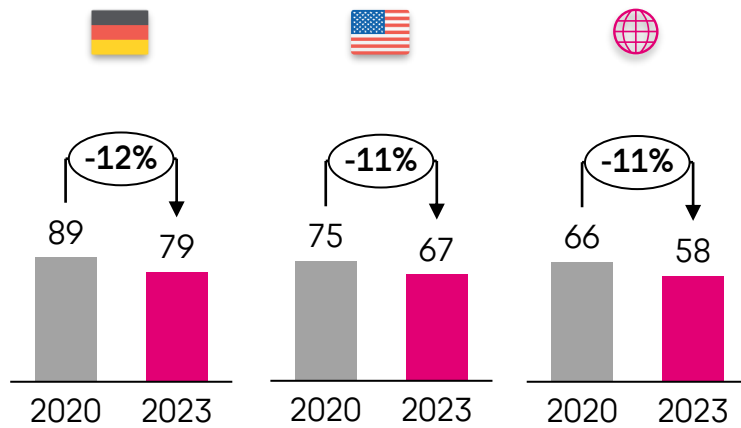
- Class of 2024: 30 high potential leaders

<sup>1</sup> For executives; <sup>2</sup> BLT results. For employees: Culture 79% (vs. 2020: 81%) and Strategy 79% (vs. 2020: 75%)

# Continuous workforce transformation for greater efficiency...

## Workforce transformation

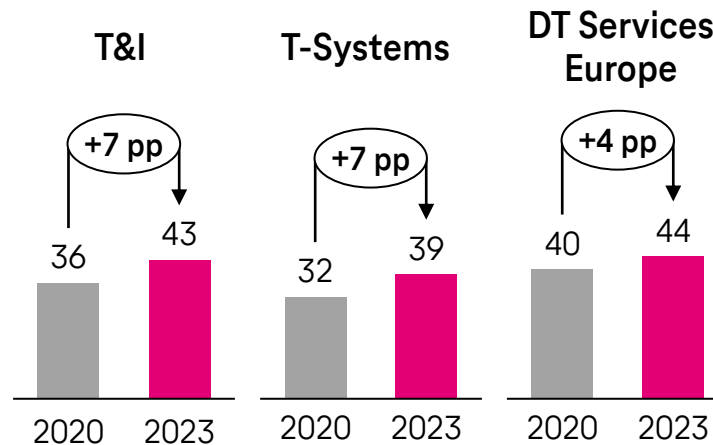
FTE development (GER, and rest of world) in '000 FTE,  
HC development (USA) in '000 HC



- **Drivers:** Quality improvements, digitalization, and overhead cuts
- **Transformation** in a socially **responsible way**
- **Declining average age:** 41.4 years (-0.4 years vs. 2021)

## Globalization of workforce

Share of Employees working from T-Hubs/GDCs, %



- **Global T-Hubs** with > 17,000 employees
  - **European Hubs** with > 10,000 FTE
  - Growing presence in **India** with > 5,000 FTE

## Until 2027e



Accelerate workforce transformation



Increase globalization of workforce

> 50%

Shoring in T&I

> 45%

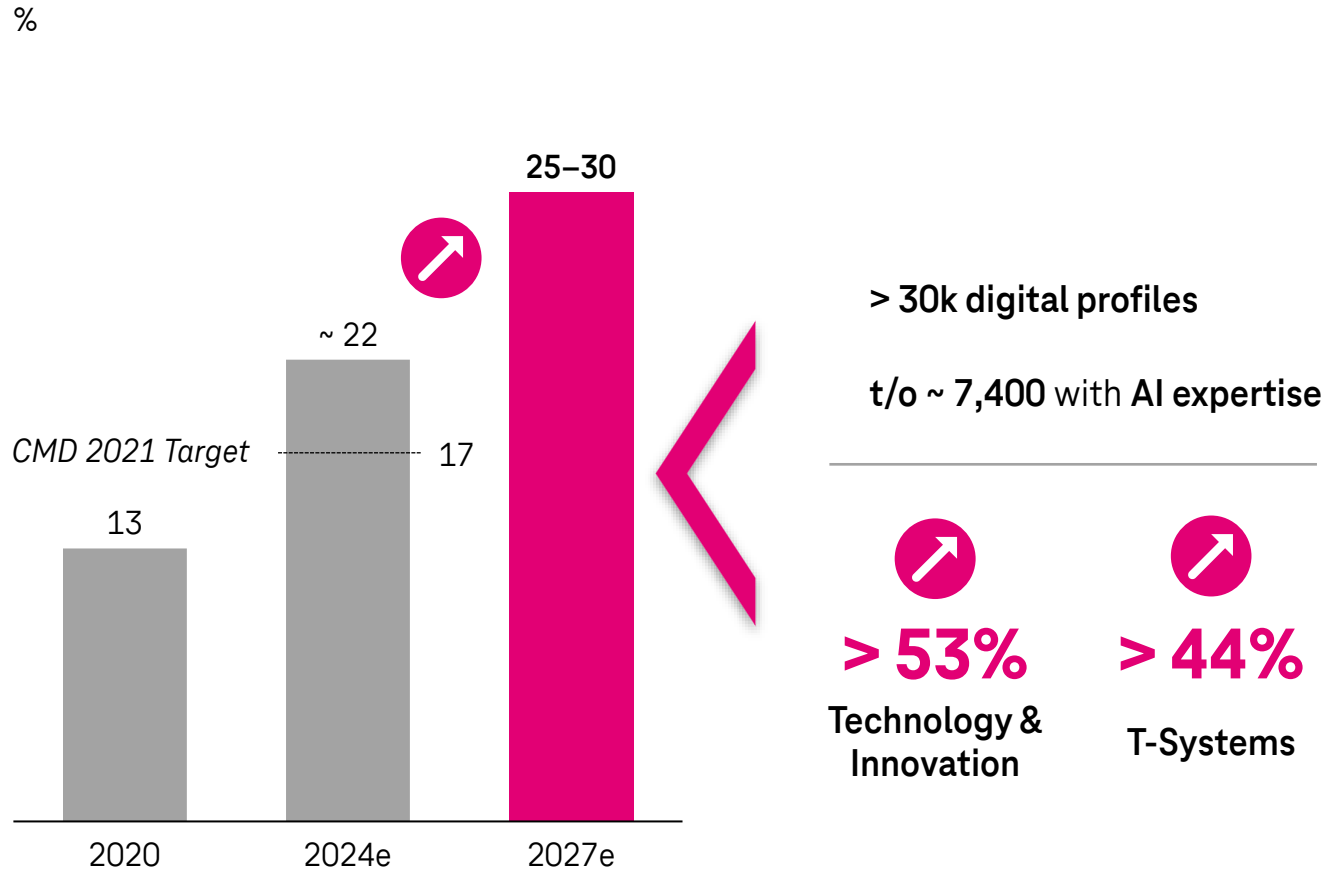
Shoring in T-Systems

> 50%

Shoring in DT Services Europe

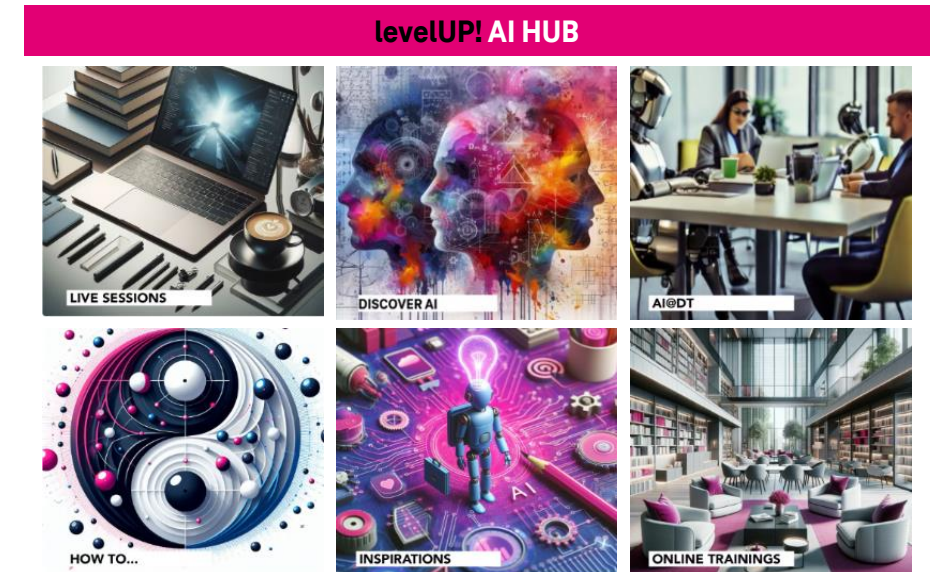
# ...and invest in our skill transformation

## Share of digital experts



## Investment in skill transformation

- > 5,300 apprentices and dual students in GER
- > 28k New skillings since 2020
- > 90k AI enablements since 2023
- > 10k Skill certificates at TSI
- Rollout of AI-based Skill Intelligence Platform



# Business Strategy



# 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

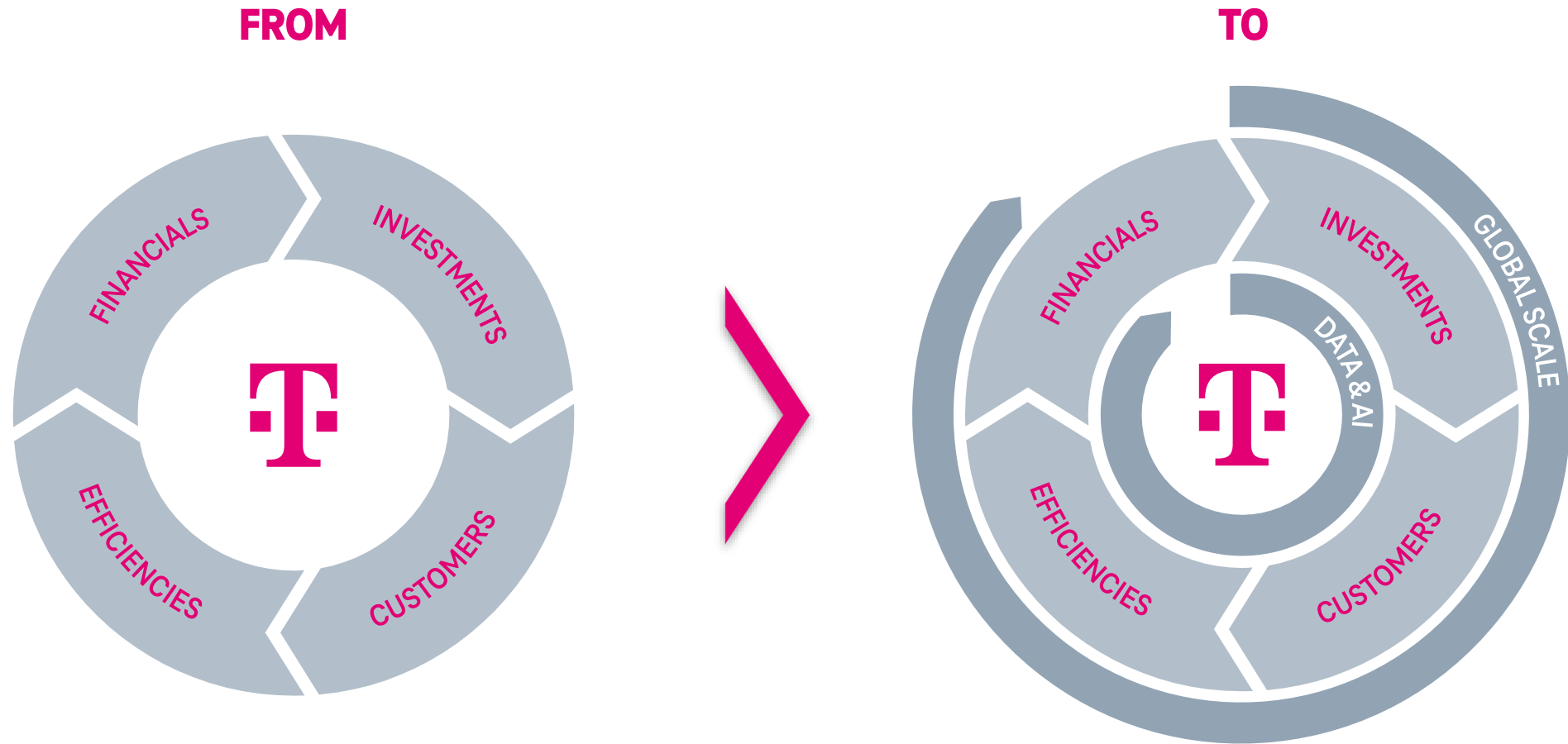


- **Digital transformation & secure networks** (e.g. IoT/Robotics, Private NWs)
- **Everything goes software** & growing demand for **“aaS” models** (e.g. NW-APIs)

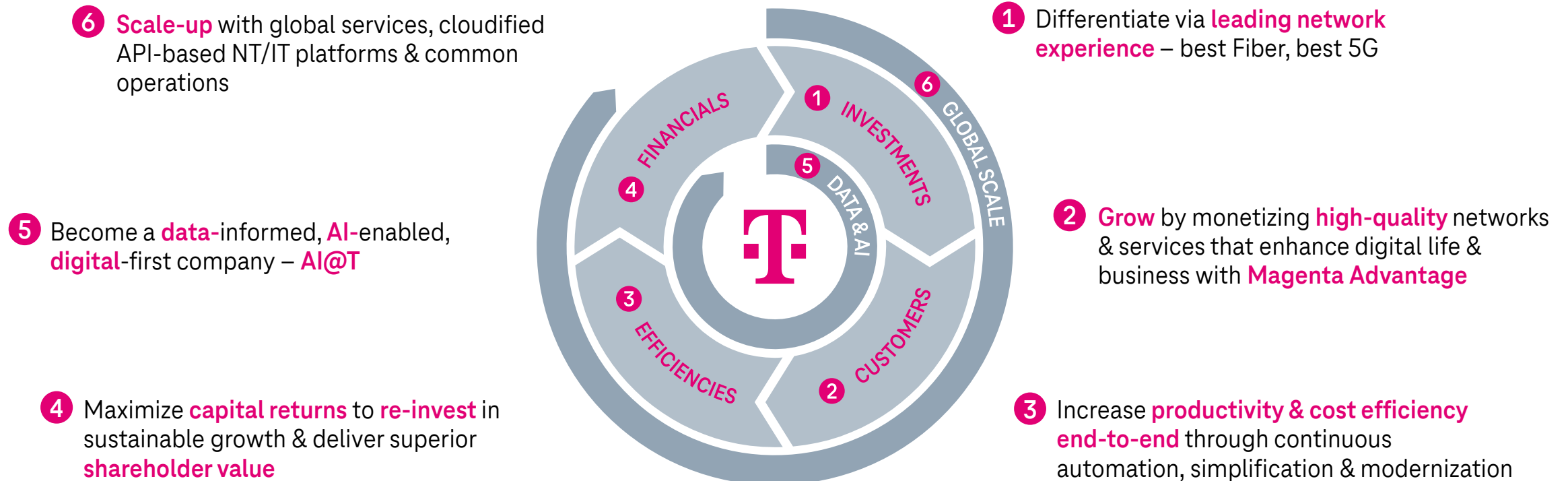


- **Economic, regulatory & political** polarization demand for strong values
- **Resilience turning critical** (e.g. supply side for western telcos)

# 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

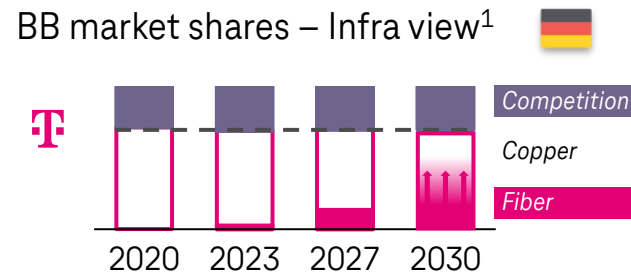


## Capturing Fiber opportunity ...

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

... with ownership economics & high utilization

## INFRA LEADERSHIP IN INCUMBENT MARKETS



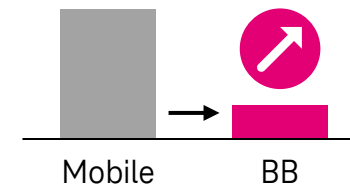
Stable or greater market share

- 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 mn<sup>2</sup> (2.5 mn p.a.)

~ 13.5 mn<sup>3</sup> (1.0 mn p.a.)

Fiber utilization

> 20%

> 35%

## Until 2030e

Total homes passed

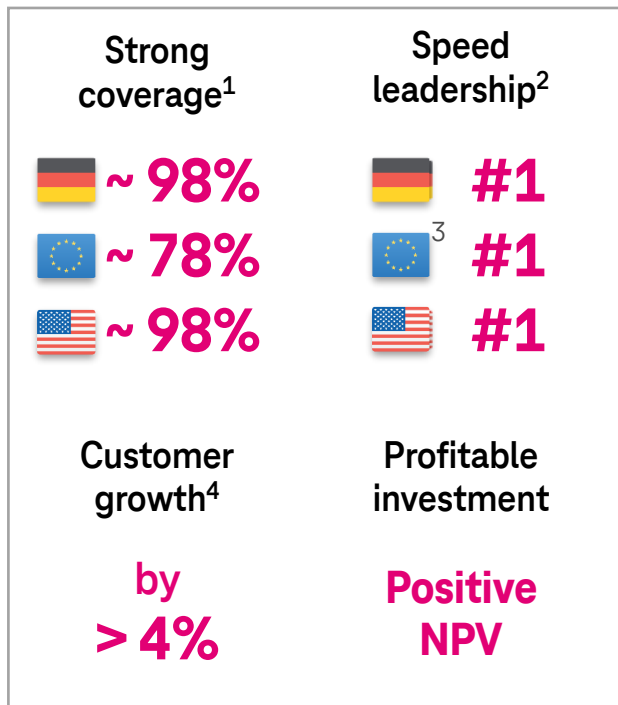
≥ 12–15 mn

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

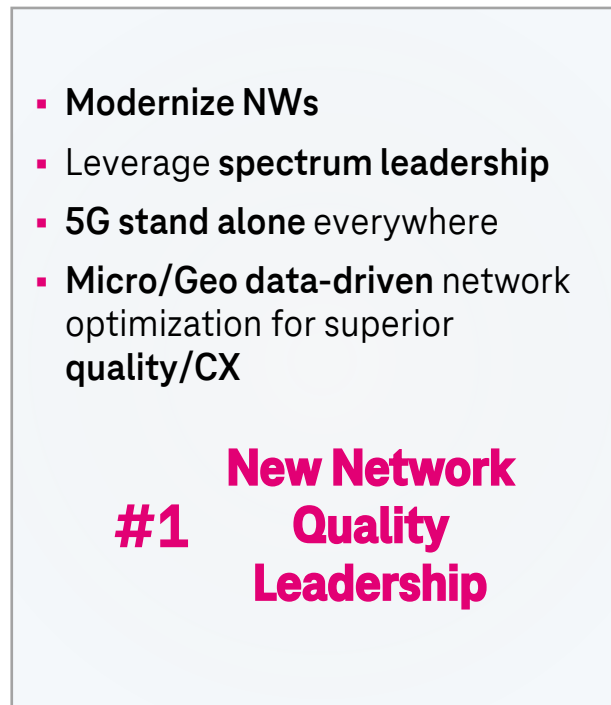
# 5G: We made it a winning strategy



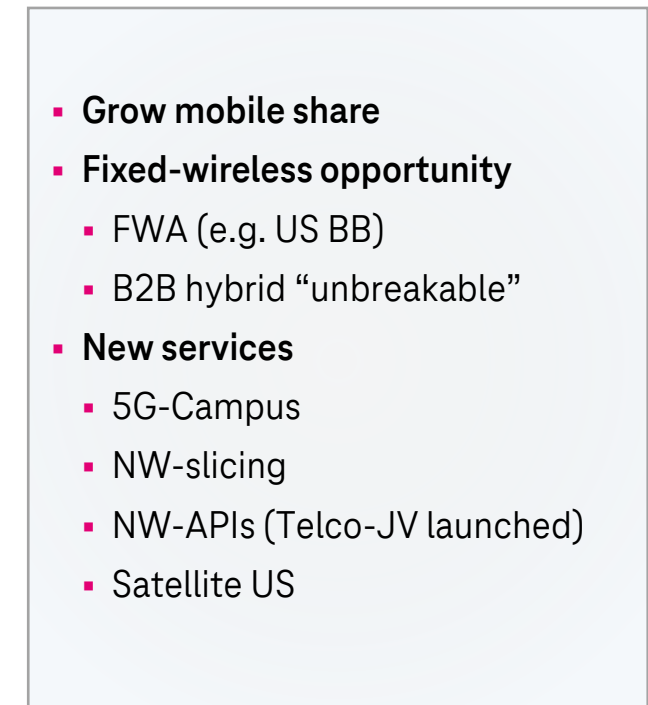
## MARKET LEADING IN 5G TODAY



## CUSTOMER DRIVEN NETWORK EXPERIENCE ...



## ... BRINGING MONETIZATION TO THE NEXT LEVEL



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

# Superior CX to monetize full B2C potential

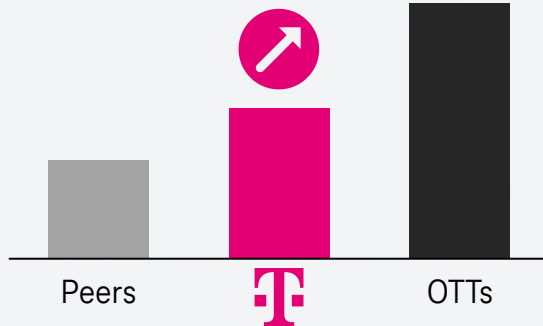


QUALITY DRIVES

SUPERIOR CX

## Net Promoter Score

– illustrative –



- **Best connectivity experience & seamless interplay**
- **Next-level quality benchmark, zero churn mentality**
- **Best NPS in market & closing gap to OTTs**



## Customer growth above & beyond

- **Push fiber utilization & Broadband market share**
- **Grow Mobile market share & strengthen mobile 1<sup>st</sup> brand**
- **Scale TV in & beyond base**  
(GER & EU: Customer growth > 4%)



## Supercharge customer value

- **Drive broadband speed upgrades**  
(GER: > 65% customers ≥ 100 Mbps)
- **Leverage more for more & pre-to-post in mobile**

Net add share



Market share



ARPA



# Unique global B2B setup incl. TSI to accelerate profitable growth

## UNIQUE STARTING POSITION

~ €20 bn<sup>1</sup>

Business

> 40k<sup>2</sup>

B2B FTE

~ 5 mn<sup>2</sup>

Accounts

#2

ICT provider EMEA<sup>3</sup>



## 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 growth<sup>4</sup>

~ 5%



Profitability growth



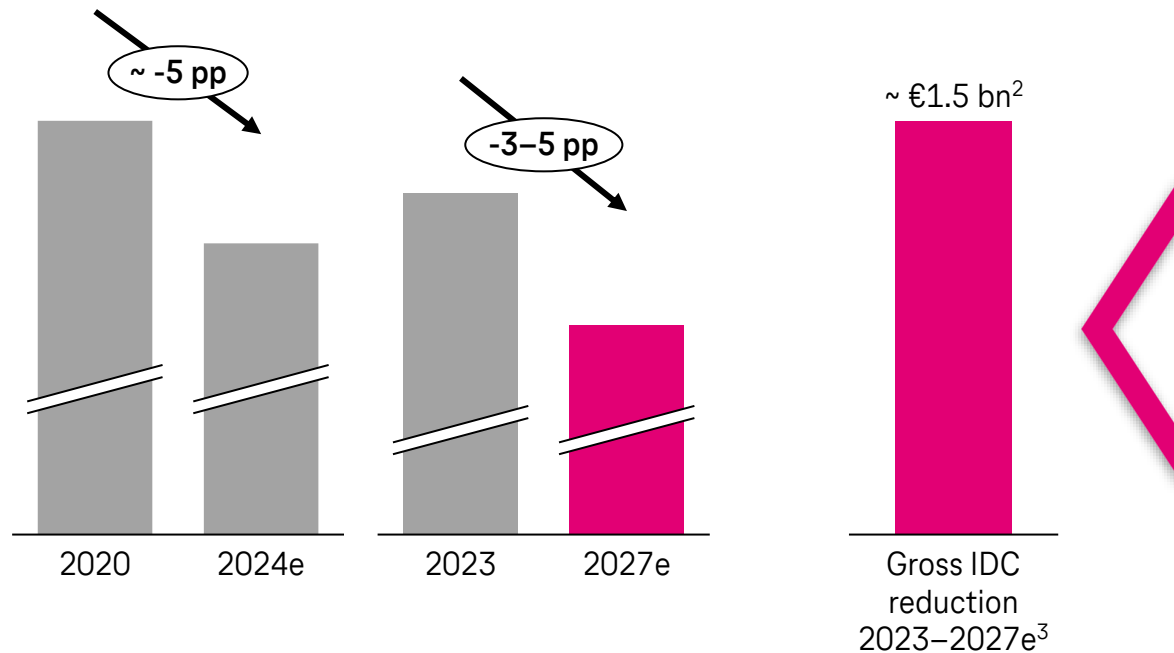
Service revenue growth

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





# Efficiency: multiple levers for further improvements



## IDC/Service revenues DT ex US<sup>1</sup>



## Key levers and expected impact going forward

	Artificial intelligence & automation	~ €0.7 bn <sup>4</sup>
	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

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

# Set-up for a data-informed, digital-first company...



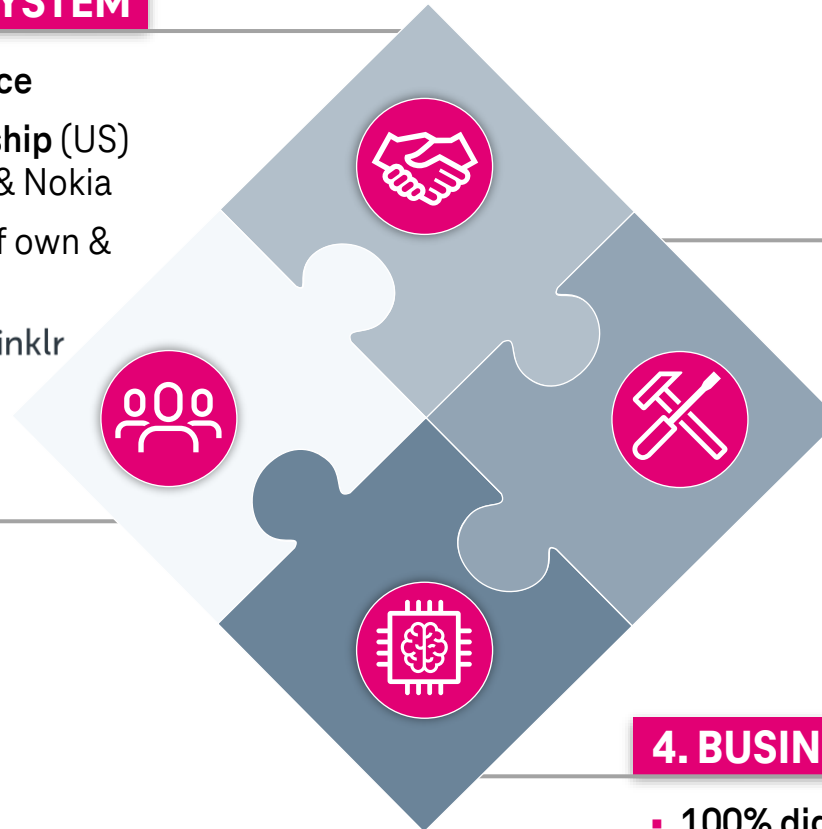
## 2. PARTNER ECOSYSTEM

- **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 sessions<sup>1</sup>
  - > 18 mn OneShop users<sup>1</sup>
  - > 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

<sup>1</sup> Per month

# ...to generate direct impact with data & AI@T



SET-UP



FULL INTERNAL INTEGRATION ALONG THE VALUE CHAIN



EXTERNAL PRODUCTS

– Examples –

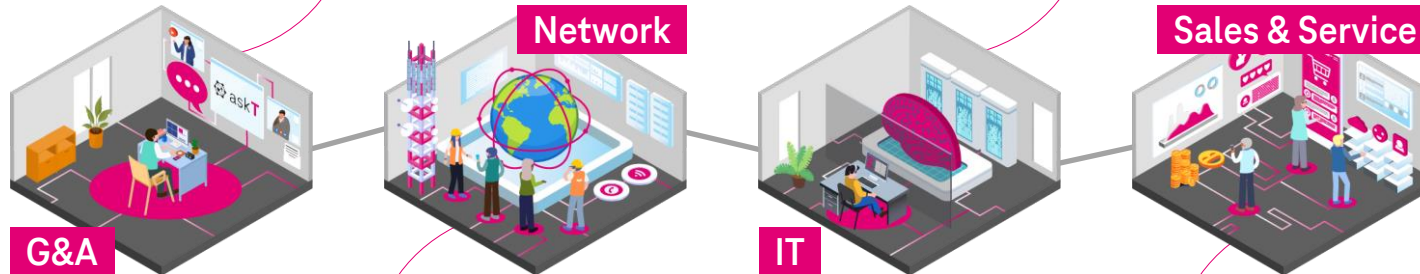
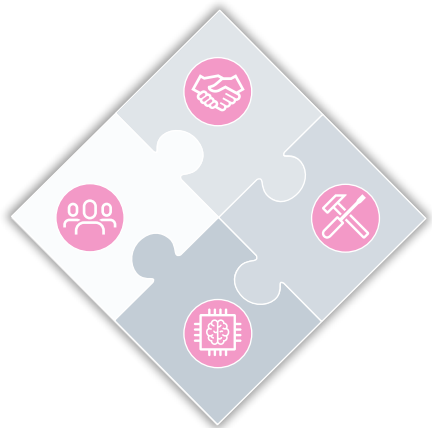
## Efficient

+10% efficiency via contract analysis & drafting of legal documents

## Accelerated

+20–30% productivity in SW development by assisted coding & operations

Consumer AI  
e.g. AI Phone, ...



## Autonomous

+20–30% in productivity for network planning & operations

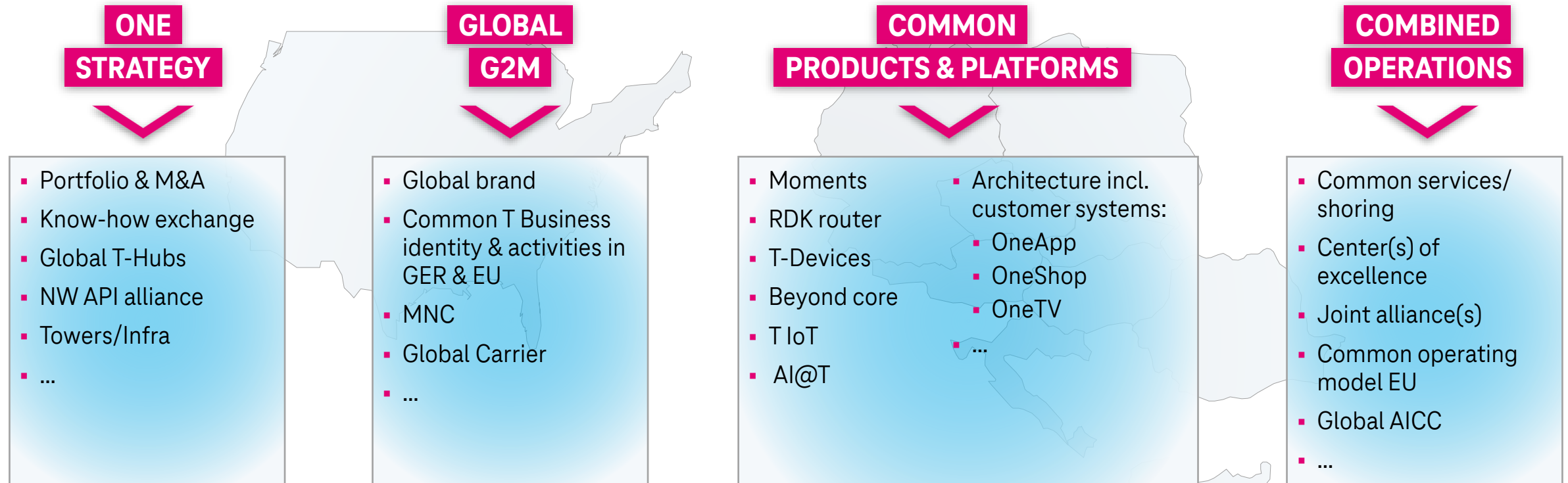
## Automated

+10p pNPS BB by automated & proactive WiFi repair

B2B AI  
e.g. AI Foundation Services, ...



# Accelerate global scale leveraging our unique footprint

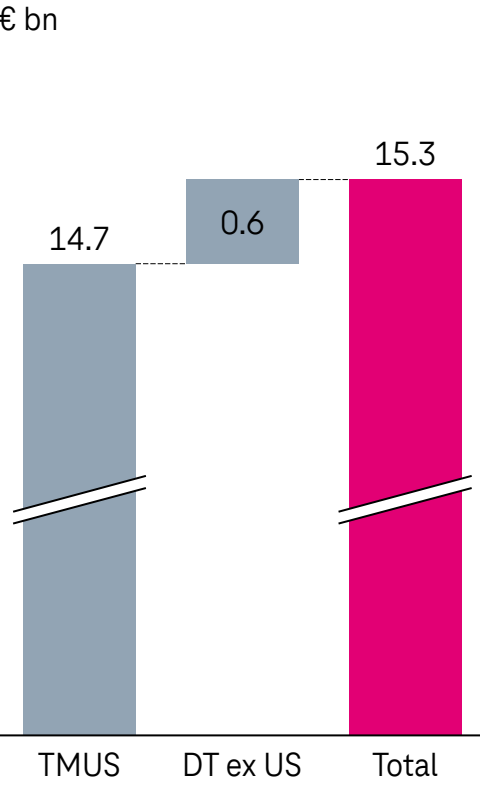


Unique balance between global scale & local entrepreneurship

# Strong spectrum position – no major auctions expected to 2027

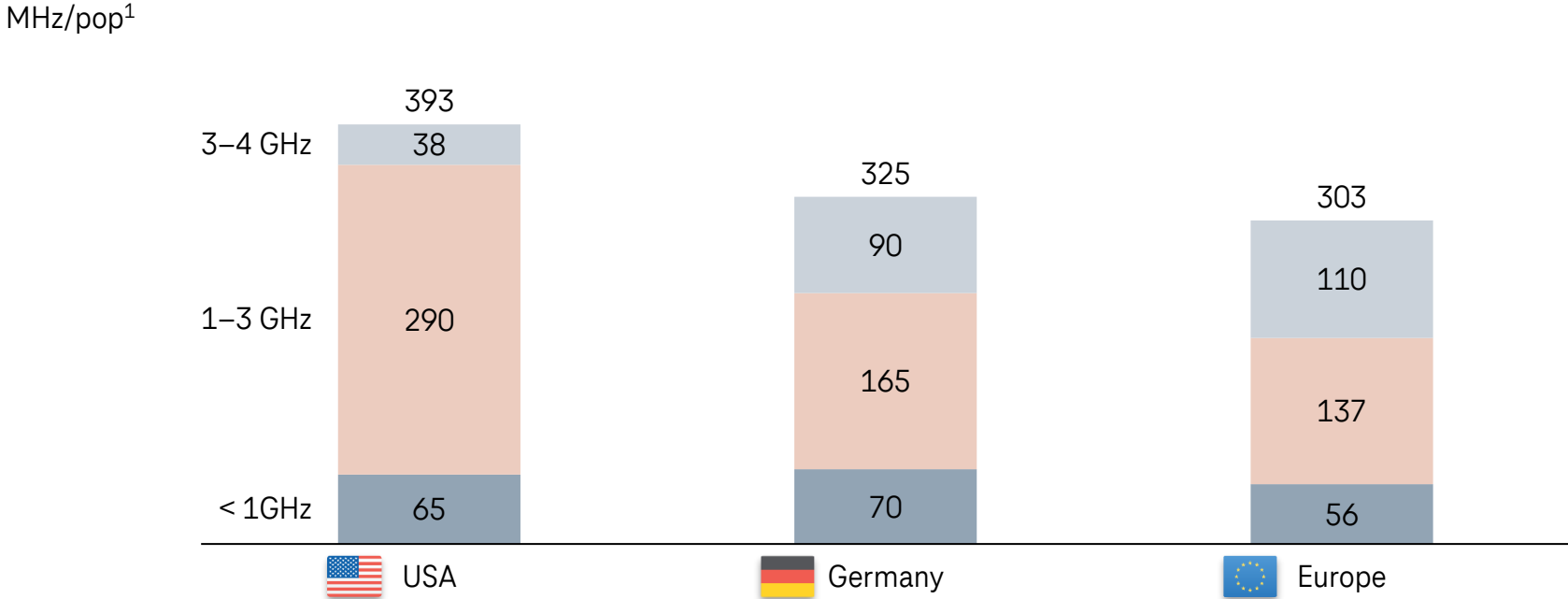


## Spectrum spend 2021–2024e



<sup>1</sup> Weighted

## Spectrum positions



**Market leading position**

**Current auction outlook**

USA 	Germany 	Europe 
No auction currently scheduled	BNetzA has proposed 5 year extension	No large auction in the pipeline

# 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”)

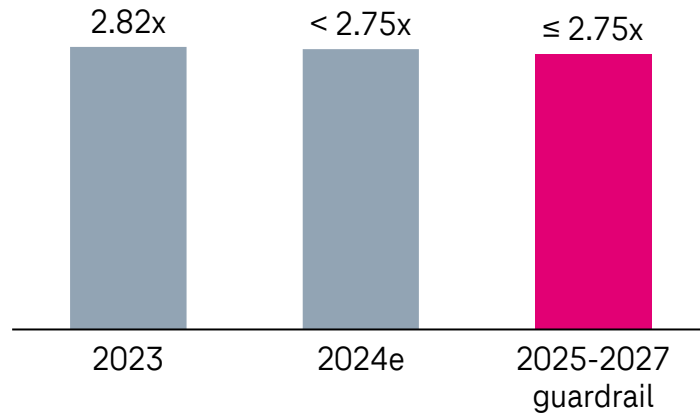
## FURTHER OPPORTUNITIES TO ACCELERATE

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

# Leverage guardrail of $\leq 2.75x$ remains in place

## Leverage ratio

Net debt/adj. EBITDA

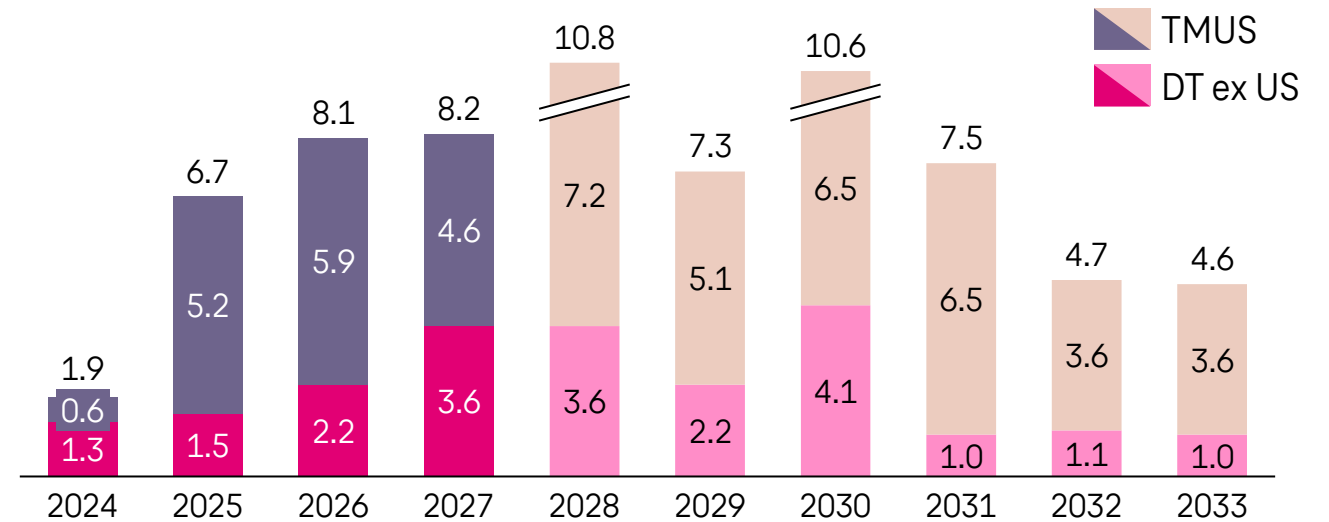


- BBB+ ratings from Moody's, S&P and Fitch
- Leverage ex leases and rating leverage expected to further improve in the coming years

<sup>1</sup> Q2 2024

## DT/TMUS bonds maturing

€ bn



- Refinancing requirements well covered by FCF AL
- Ex US liquidity position €14.5 bn<sup>1</sup>



# Committed to ambitious environmental and social targets



## CLIMATE



**≥ -55%** in 2030e vs. 2020  
**≥ -90%** in 2040e vs. 2020  
in **Scope 1–3 emissions**

- Clear **transition plan** towards **net zero**
- **SBTi**<sup>1</sup>-approved targets
- Focus on **Scope 3**  
(supplier production & use phase)

## CIRCULARITY



**100%**  
**Ready for circularity**  
around technology & devices in 2030e

- **Full circular approach, “T Circularity Score”**<sup>2</sup>
  - **Prevention** (design & packaging)
  - **Re-use** (lifetime & refurbishment)
  - **Collect & recycle** (devices & network/IT)

## SOCIAL



Similar digital inclusion beneficiaries  
**> 80 mn acc.**<sup>3</sup>  
+ Crisis effort

- **Accessibility** for all
- **Affordability** for those in need
- **Ability** – digital education, standpoint against hate

<sup>1</sup> SBTi = Science Based Targets initiative; <sup>2</sup> DT ex US only; <sup>3</sup> 2024-2027, without “crisis mitigation” & “low carbon & circular society”

# Customer focus translating into strong profitable growth

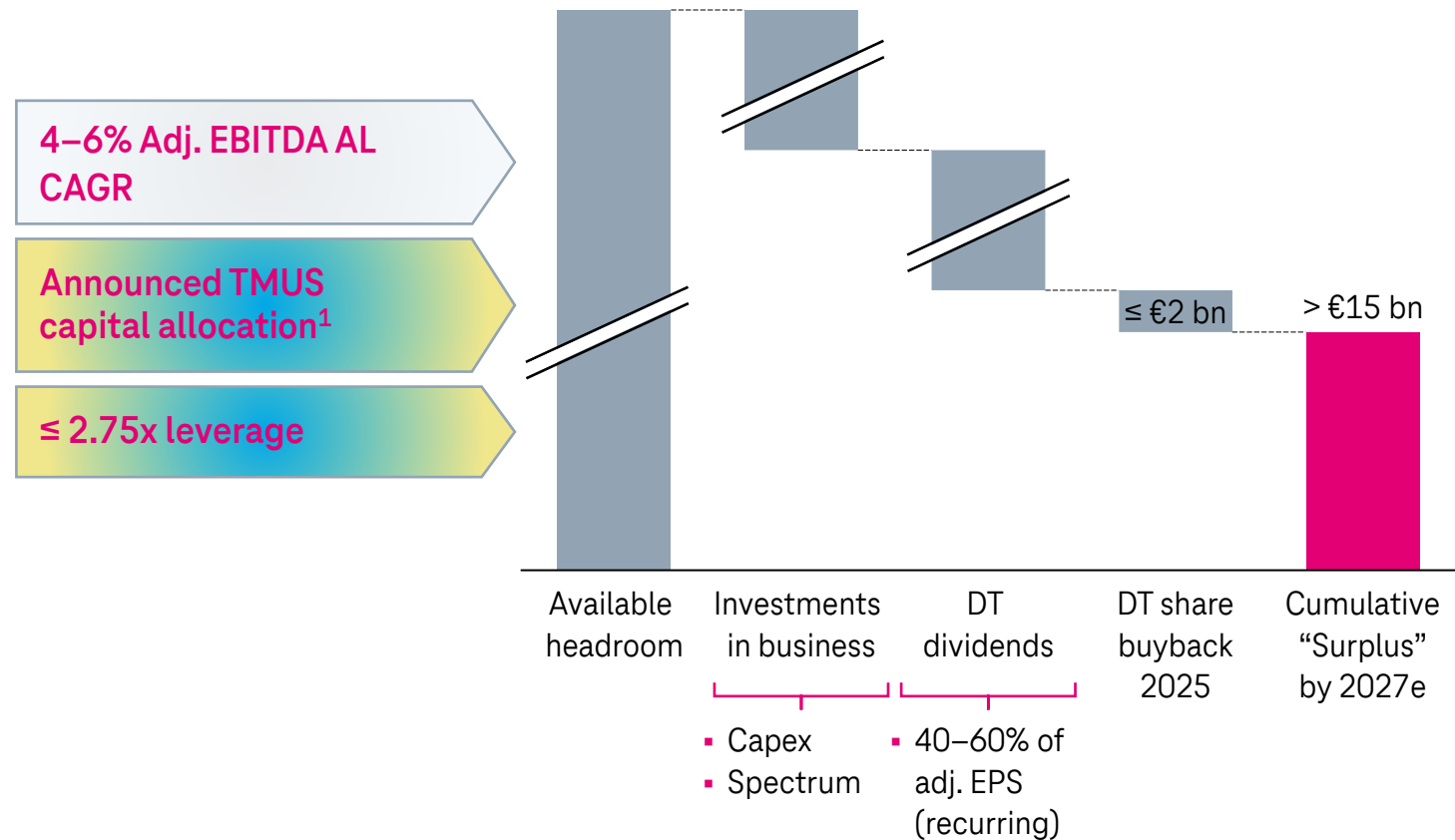


GROUP LEVEL KPI	AMBITION 2023–2027E		KPI DRIVERS
Service revenues	~ 4%	CAGR	Business growth
Adj. EBITDA AL	4–6%	CAGR	Operational leverage
Adj. EPS	> 11% <sup>1</sup>	CAGR	Growth & capital allocation
Cash Capex/Service revenues <sup>2</sup>	~ 21%	in 2027e	Invested for growth
FCF AL	~ €21 bn <sup>3</sup>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

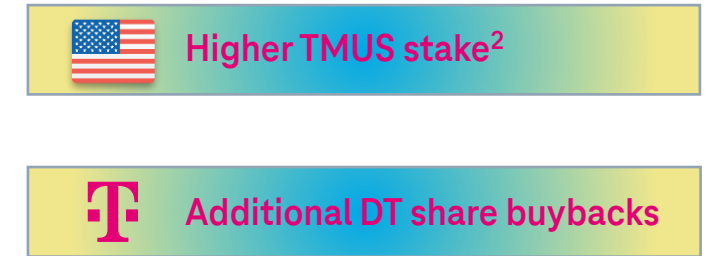
<sup>1</sup> Absolute adj. EPS ~ €2.5 in 2027e; <sup>2</sup> DT ex US; <sup>3</sup> Based on €1 = \$1.08

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

## Key determinants of cumulative “Surplus” by 2027e



## Uses for “Surplus”



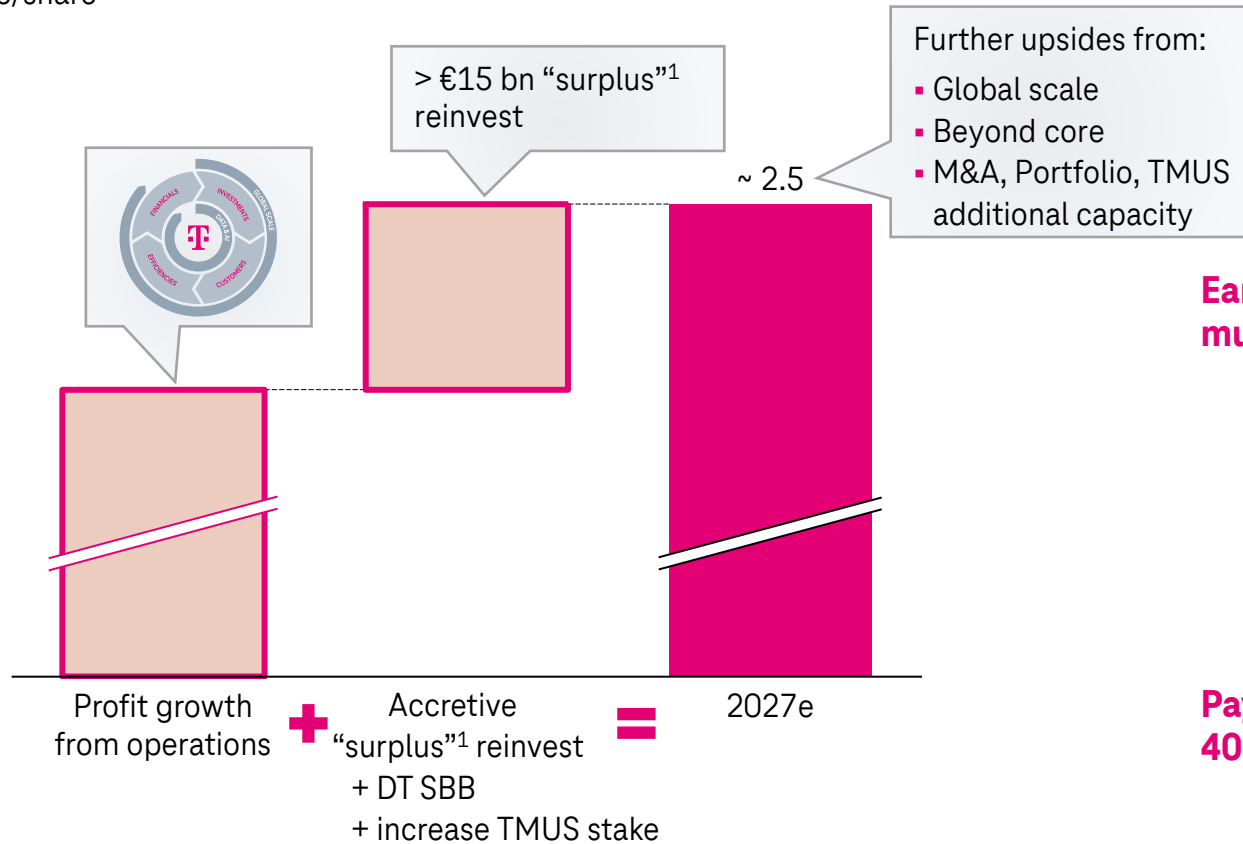
- Both uses of surplus are accretive to DT’s adj. EPS
- Maintaining strategic flexibility

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

# Creating shareholder returns through growth & capital allocation

## Adj. EPS

€/share



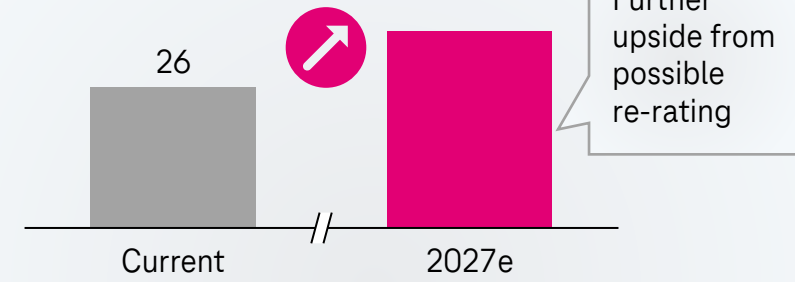
Earnings multiple

Payout ratio 40-60%

## TOTAL SHAREHOLDER RETURN

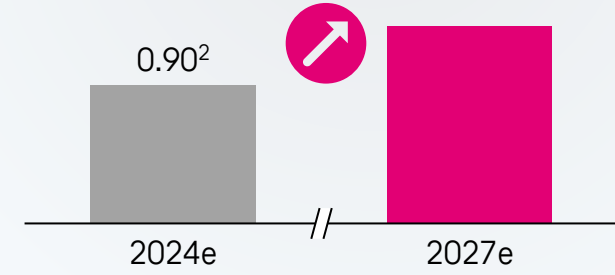
### Share price

€/share



### Dividend

€/share



<sup>1</sup> "Surplus" at guidance and ≤ 2.75x leverage; <sup>2</sup> Subject to board resolutions & AGM approval

**Midterm  
ambition level**

# Committed to lead and perform – again!

## STRONGER FOUNDATION



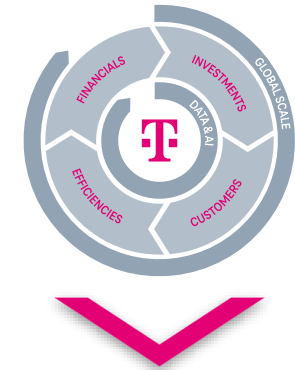
## SUPERIOR EXECUTION



## 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 bn<sup>1</sup>**

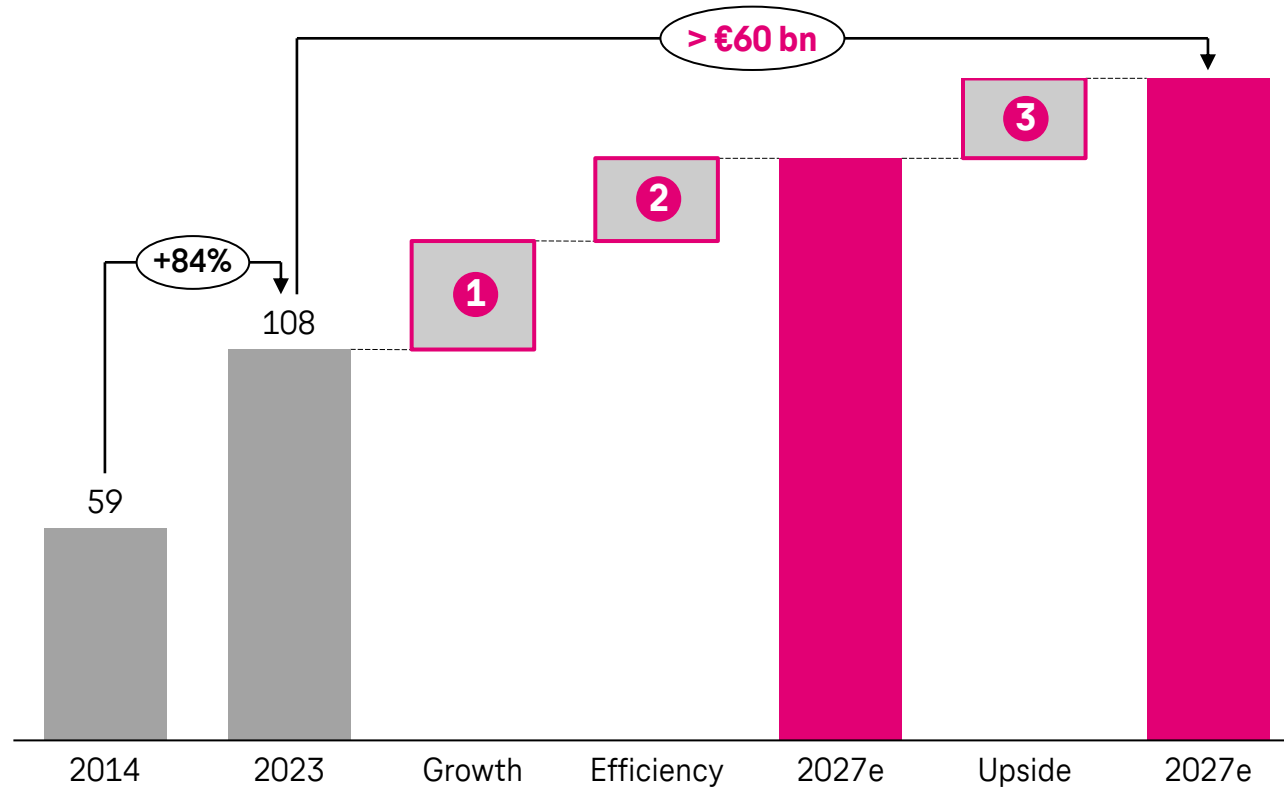
- Adj. EPS: ~ **€2.5** in 2027e
- Dividends **40%–60%** of adj. EPS (2024e **€0.90<sup>2</sup>**)
- Share buyback of up to **€2 bn** in 2025

<sup>1</sup> Until 2027; <sup>2</sup> Subject to board resolutions & AGM approval

# Clear vision for unlocking additional Market cap potential

## DT Market cap

€ bn



<sup>1</sup> "Surplus" at guidance and  $\leq 2.75x$  leverage

## Strategic initiatives & value levers

### COMMITTED

- 1 Service revenues 5% CAGR
- 1 Service revenues 2.5–3% CAGR
- 2 Adj. EBITDA AL 4–6% CAGR
- 2 Data, AI & scale ~ €1 bn Savings DT ex US

### UPSIDE

- 3 Beyond core potential
- 3 Global scale potential
- 3 Portfolio, TMUS additional capacity
- 3 "Surplus"<sup>1</sup> reinvest (e.g. DT SBB, increase TMUS stake)

# 9M 2024 results

## Group

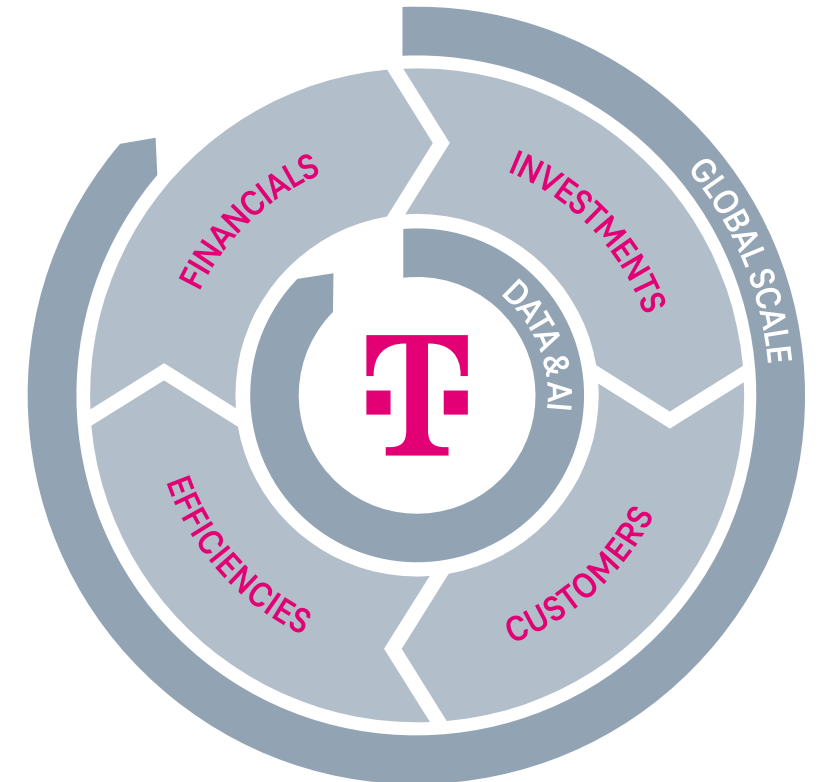


# 9M/24

## consistent reliable growth

### 9M/2024 Highlights

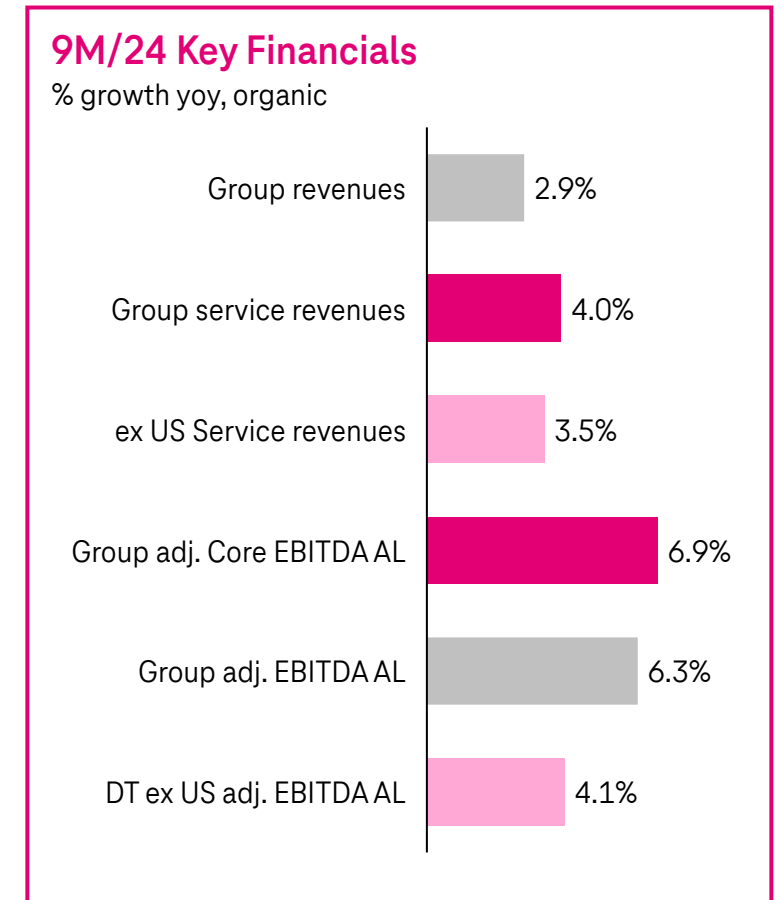
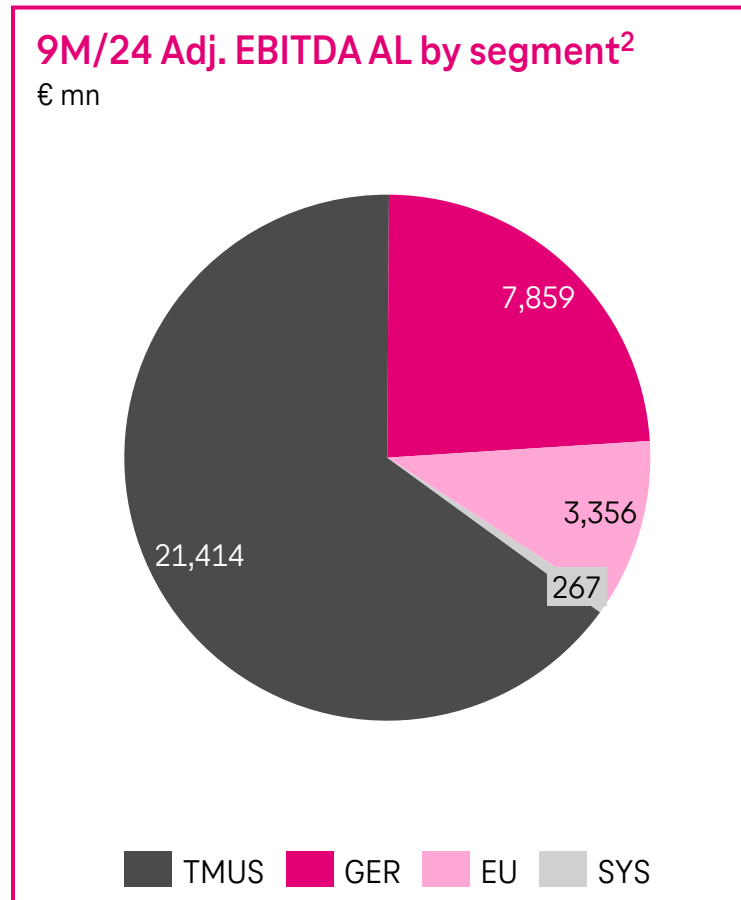
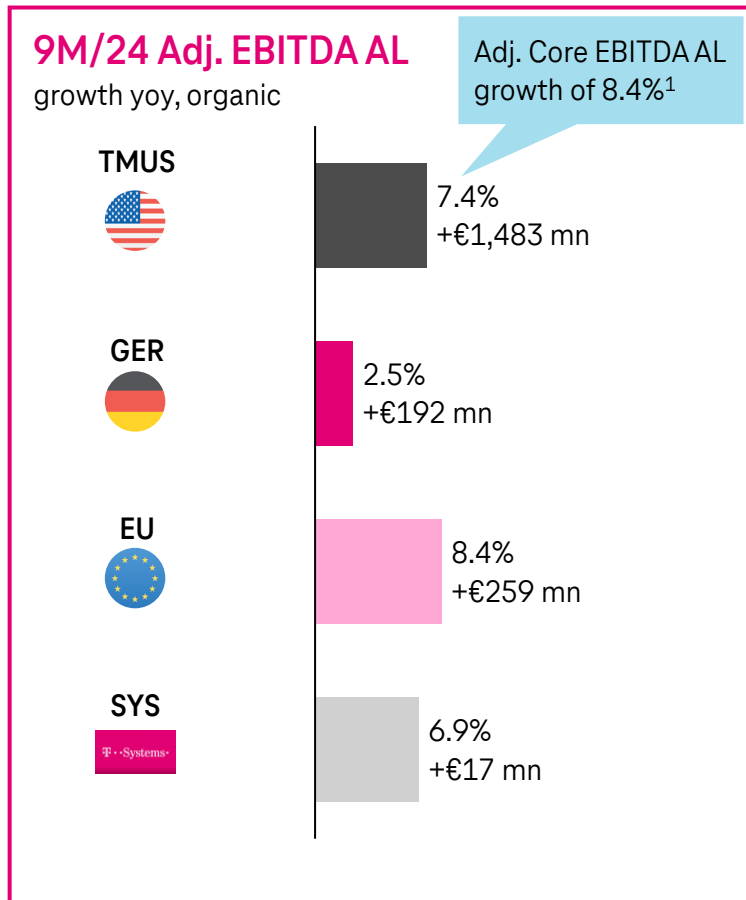
- Market leading customer and financial growth continues: YTD organic service revenues +4.0%, adj. EBITDA AL +6.3%, FCF AL +28.3%<sup>1</sup>, adj. EPS +16.0%<sup>1</sup>
- EU segment with 8.4% organic adj. EBITDA AL growth YTD
- FY24 guidance raised again. On both sides of the Atlantic
- DT CMD outlines strategic and financial targets through 2027 including ~4% service revenues and 4 – 6% adj. EBITDA AL CAGR 2023-27e, ~€21 bn FCF AL and ~€2.5 adj. EPS in 2027e
- Germany on track for >10 m fiber homes passed and ~450k fiber net adds in 2024
- Leverage including leases at 2.64x, below guardrail. Moody's puts DT on positive outlook
- Proposed 2025<sup>2</sup> shareholder returns of a €90 c dividend plus up to €2 bn DT SBB



<sup>1</sup>FCF AL and adj. EPS growth rate as reported. <sup>2</sup>Subject to necessary approvals.

# Financials 9M/24 organic

## strong organic growth



<sup>1</sup> According to IFRS. US GAAP growth is 8.8%. Adj. Core EBITDA excludes decreasing handset leasing revenues (US\$ -0.187 bn yoy). <sup>2</sup> Excl. GHS & GD (-503 mn €). Group EBITDA AL €32,389 mn.

In this presentation the Group in 9M/2023 is presented in accordance with the management view: certain key performance indicators like revenue and adj. EBITDA AL are presented as if GD Towers still would be fully consolidated.

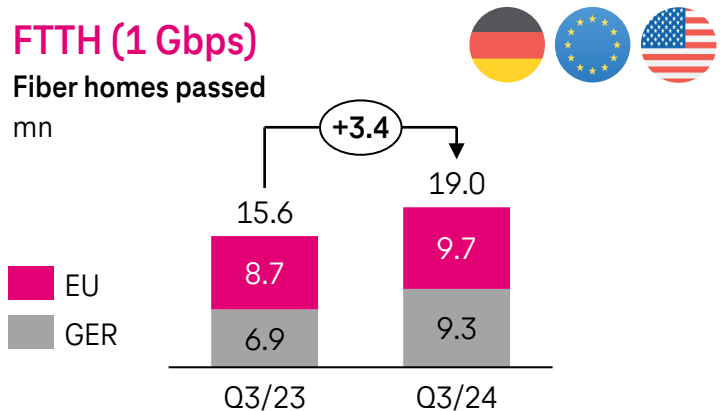
This view is different to the consolidated financial statements of DT where Group Development is treated as a discontinued operation. For more details, please refer to the back-up to this presentation, respectively the annual report of DT both available at [www.telekom.com/en/investor-relations](http://www.telekom.com/en/investor-relations).

# Networks

## leading with 5G, FTTH on track

### FTTH (1 Gbps)

Fiber homes passed  
mn



#### GER

- Fiber: On track for >10mn HHs by YE
- DT tested as best nationwide fixed network by Connect

#### EU

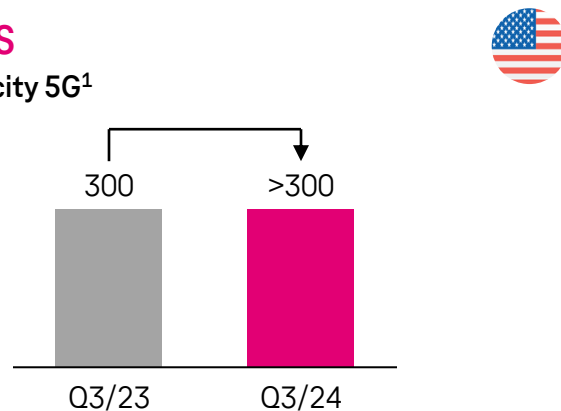
- On track for >10 mn HHs with 1 Gbps by YE 2024. Coverage now at 37% of HHs

#### USA

- Fiber: Metronet & Lumos JVs cleared by DoJ

### 5G TMUS

Ultra capacity 5G<sup>1</sup>  
mn POPs



#### Network Leader

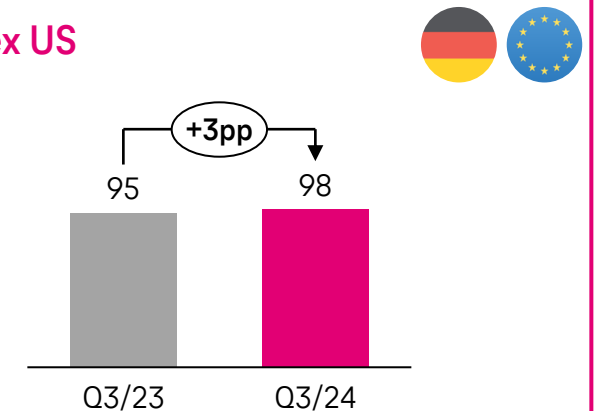
- Largest VoNR (Voice over New Radio) coverage with more than 300mn Americans covered

#### 5G

- “Best 5G availability in the world” for the fourth year in a row and the only US operator to be a 5G global winner in the is category, according to Opensignal

### 5G DT ex US

Germany  
% of POPs



#### GER

- Telekom wins Chip magazine German mobile network test: 5G DL speed of 374Mbit/s at DT vs. 206/190 Mbit/s in the two competing nationwide networks

#### EU

- Roll-out of 5G coverage: 72% POP coverage end of Q3/24. Up 10 pp since Q3/23

#### DT ex US

- OpenSignal: DT No. 1 in 7 out of 10 markets in Europe for consistent quality

<sup>1</sup> Ultra capacity on mid band spectrum.

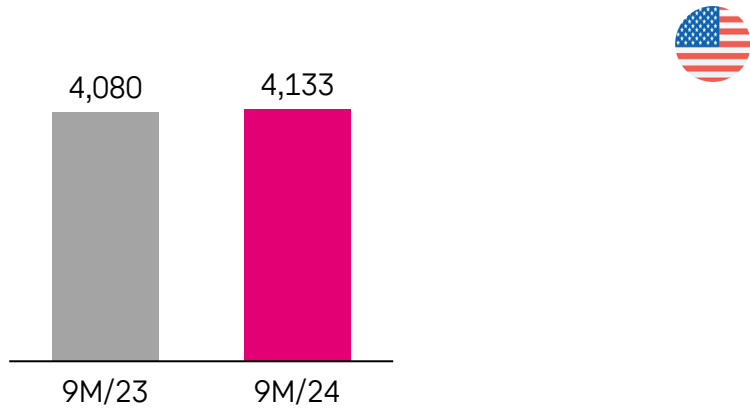
# Customers

## growing strongly

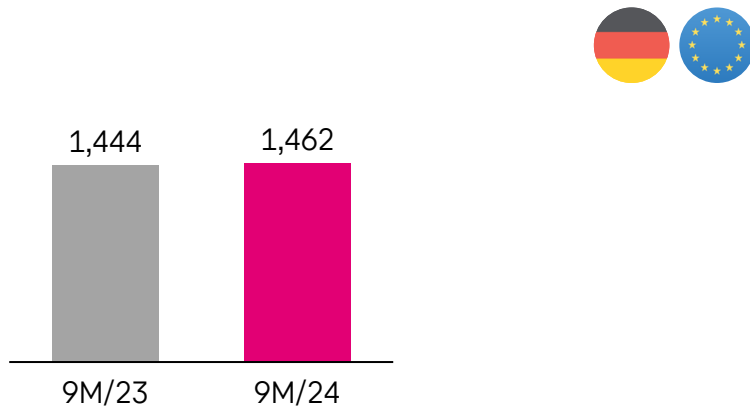
### Mobile net adds

000

#### US (postpaid)



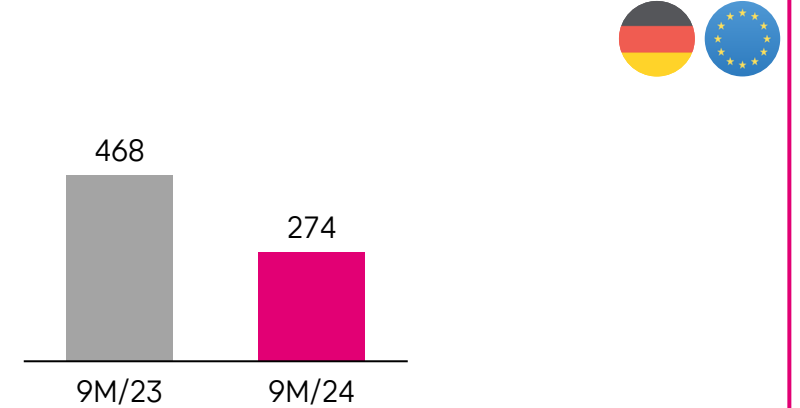
#### Ex US (contract)<sup>1</sup>



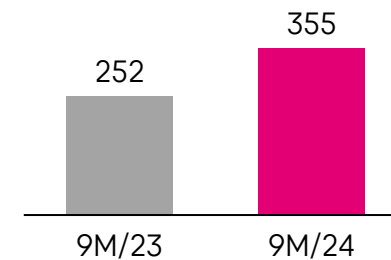
### Fixed line net adds<sup>2</sup>

000

#### Broadband



#### TV



<sup>1</sup> GER + EU. GER: own brand only. <sup>2</sup> GER + EU

# Society and Environment

## CMD shows progress with ESG ambitions

### Environment

- Group energy consumption -3% yoy in 9M/24 and CO<sub>2</sub> emissions (Scope 1&2) -5%
- CMD 51% of DT Group Purchase Order Volume SBTi-aligned<sup>1</sup>

### Society

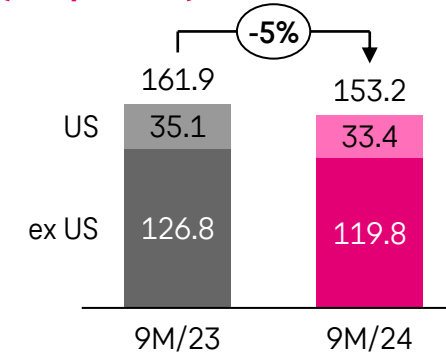
- CMD Ambition > 80 mn digital inclusion beneficiaries until 2027<sup>2</sup>
- TMUS 10mn project: over 6 mn students already connected

### Governance

- ESG at CMD consistently integrated into board presentations
- Ready for 1<sup>st</sup> time CSRD compliant year end reporting

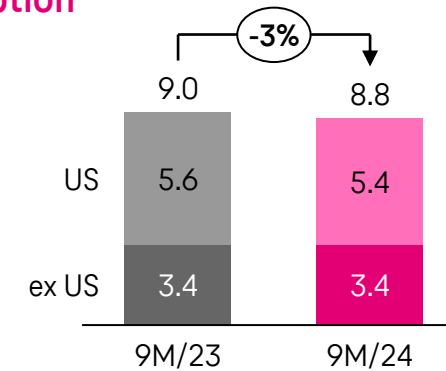
### CO<sub>2</sub>e emissions (scope 1+2)

kt



### Energy consumption

mn MWh

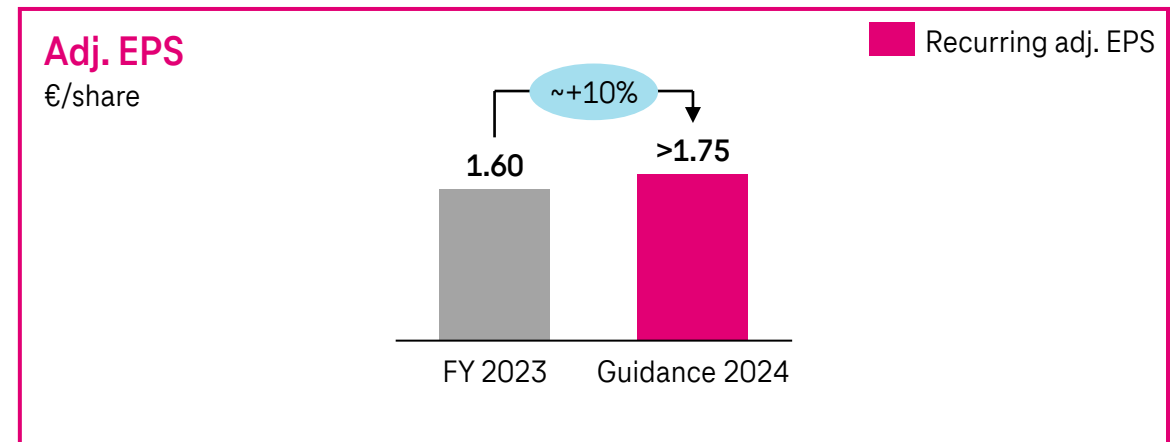
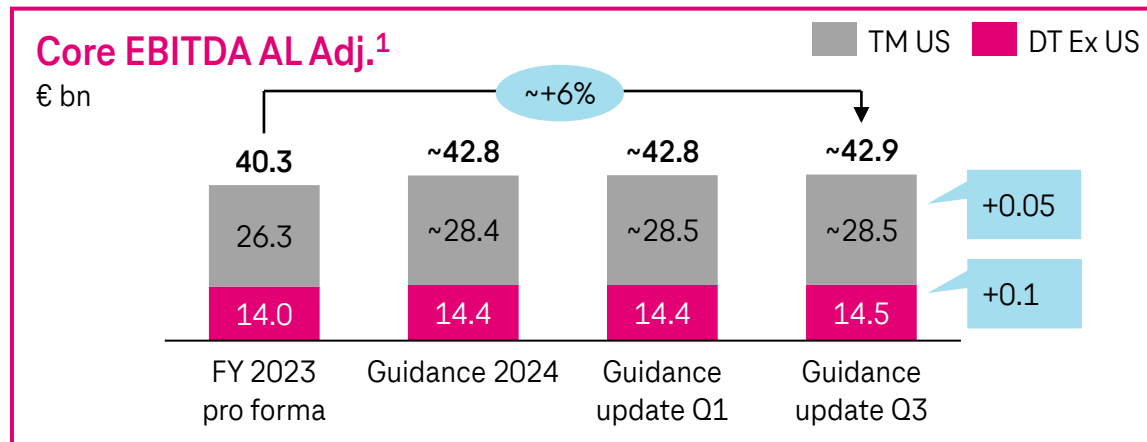
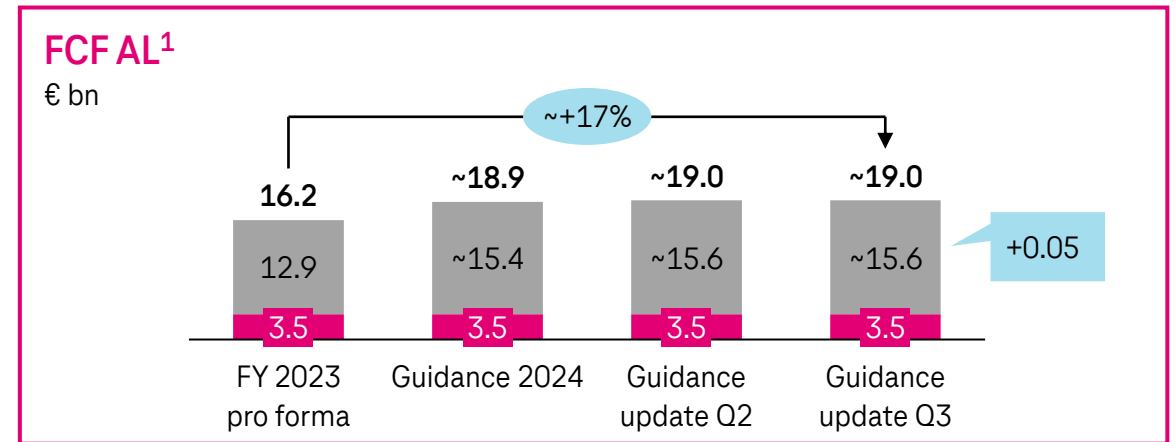
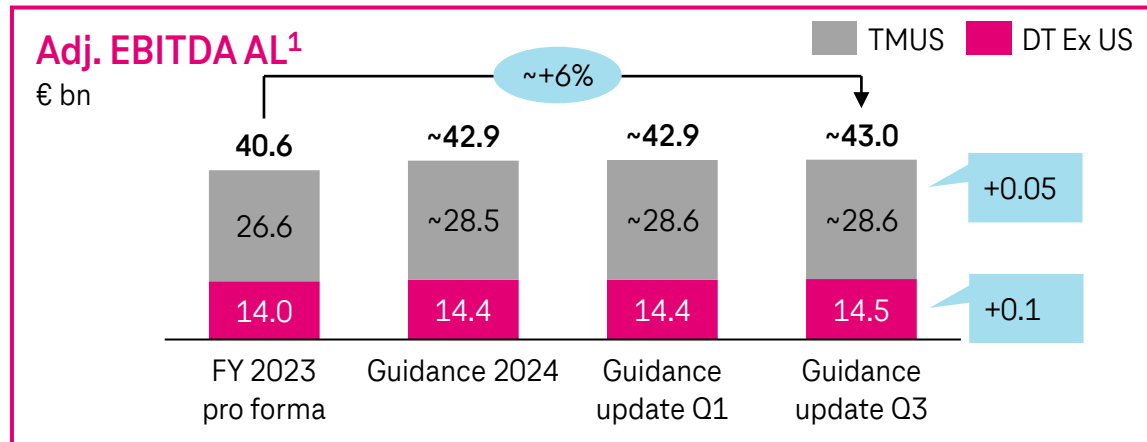


<sup>1</sup>Purchase Order Volume with suppliers that have a corporate climate target approved by SBTi (Science Based Targets initiative).

<sup>2</sup> 2024-2027, without “crisis mitigation” & “low carbon & circular society”

# Guidance 2024

## EBITDA AL outlook raised for TMUS, DT ex US and DT group



<sup>1</sup> TMUS guidance is based on midpoint of US GAAP guidance of US\$31.7 – 31.9 bn adj. EBITDA; of US\$31.6 – 31.8 bn Core adj. EBITDA and of US\$16.7 – 17.0 bn FCF. Guidance assumes a negative bridge of US\$-0.9 bn on adj. EBITDA and Core adj. EBITDA upon translation into IFRS. Based on 1€ = US\$1.08. 2024 DT ex US FCF AL guidance includes €0.2 bn of cash returns related to tower transaction. 2023 pro forma includes 0.1 bn cash returns related to tower transaction. Both exclude TMUS dividend receipts.

# **Q3 2024 results**

Review of segments and  
financials

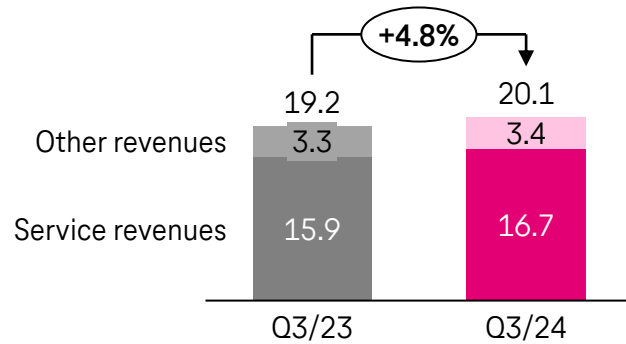
# T-Mobile US

## industry leading financial growth



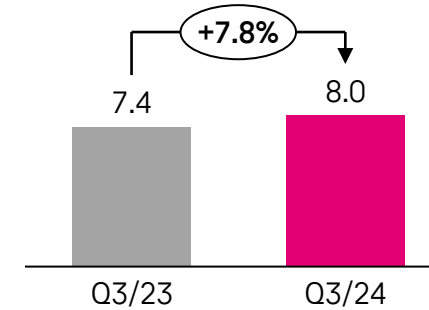
### Revenues (IFRS)

US\$ bn



### Adj. EBITDA AL (IFRS)<sup>1</sup>

US\$ bn



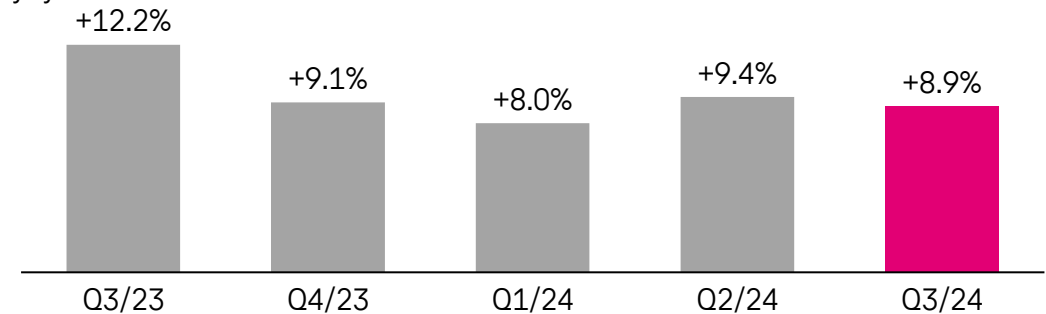
### Service revenue (US GAAP)

% yoy



### Core adj. EBITDA (US GAAP)

% yoy

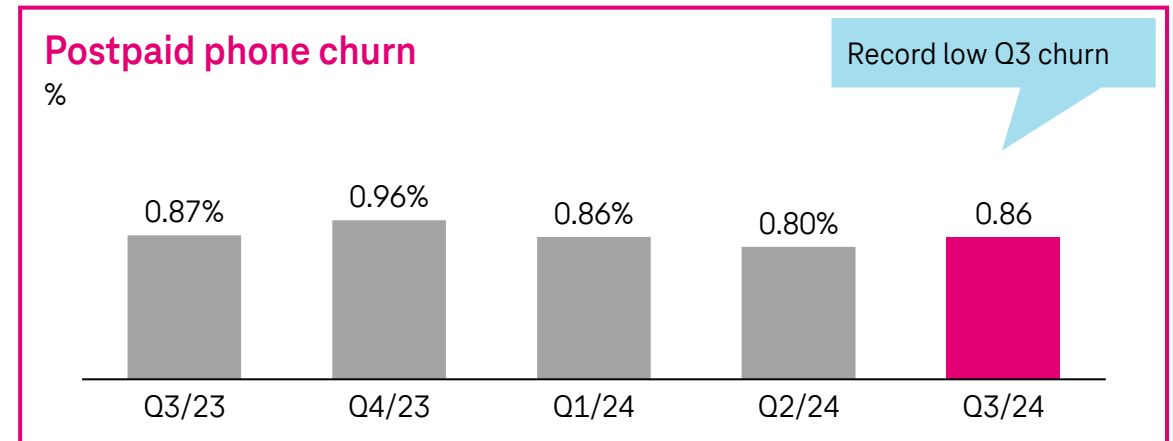
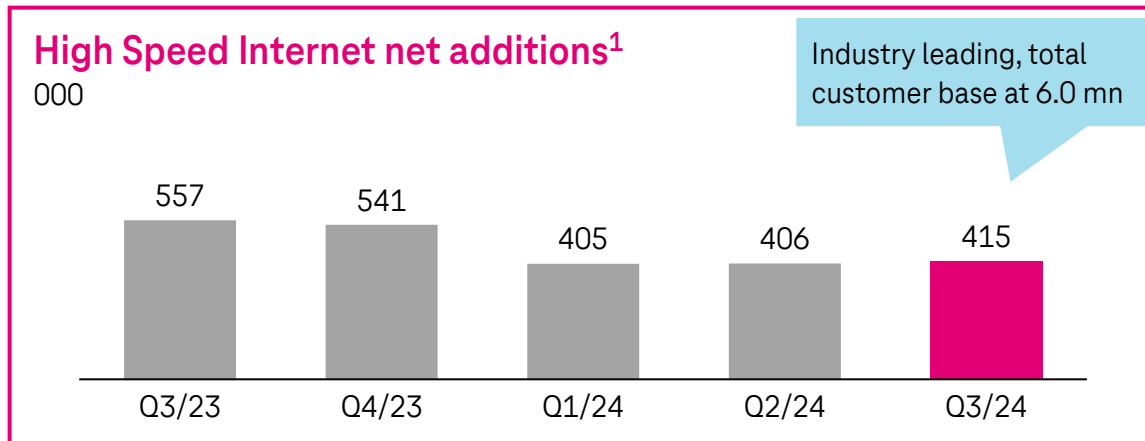
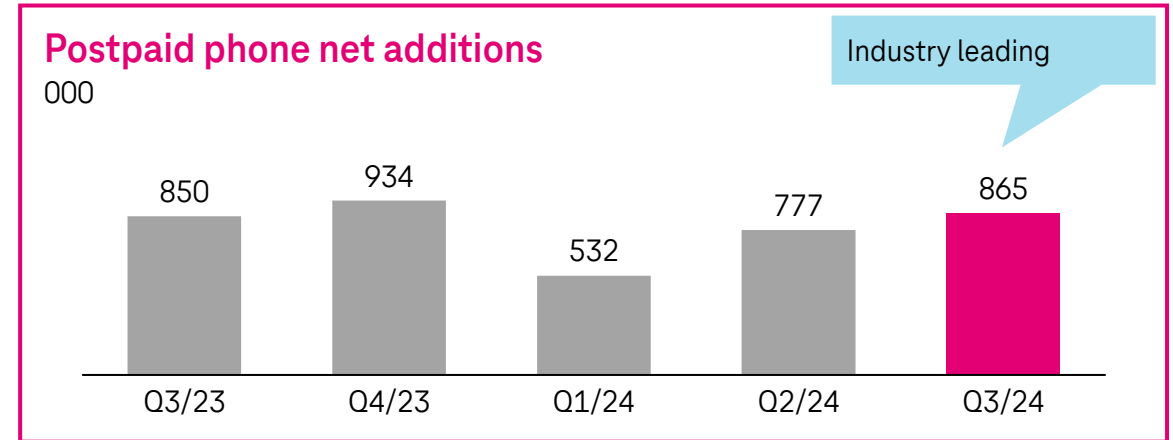
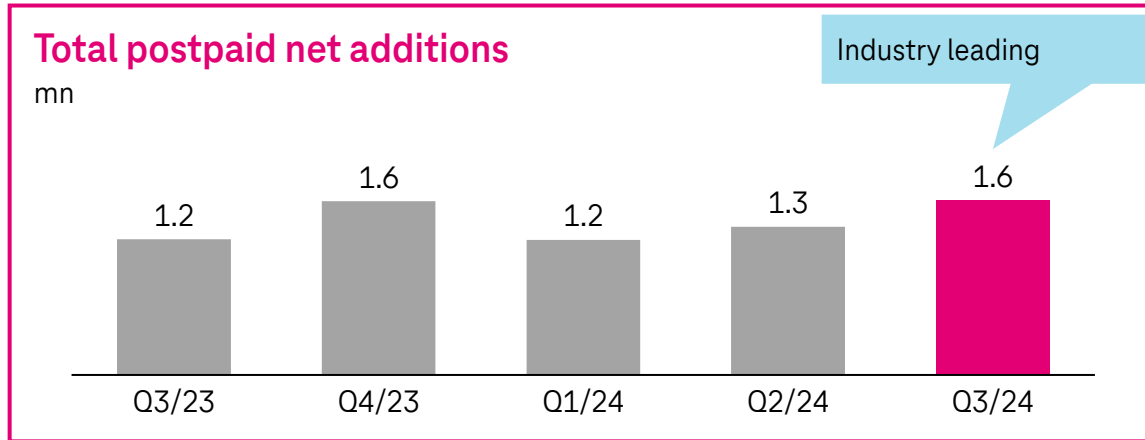


<sup>1</sup> For IFRS bridge please refer to appendix.



# T-Mobile US

## industry leading customer growth



<sup>1</sup> Postpaid + Prepaid

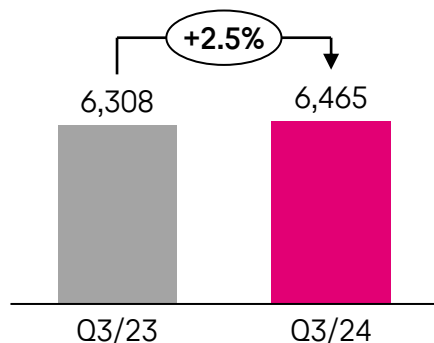
# Germany

## 32<sup>nd</sup> consecutive quarter of EBITDA growth



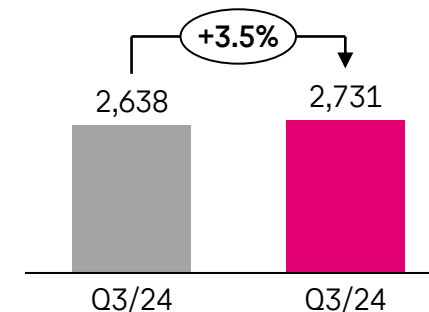
### Revenues (reported)

€ mn



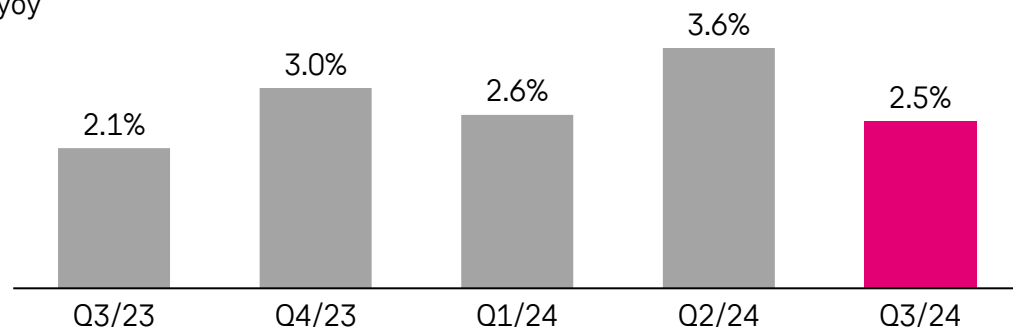
### Adj. EBITDA AL (reported)

€ mn



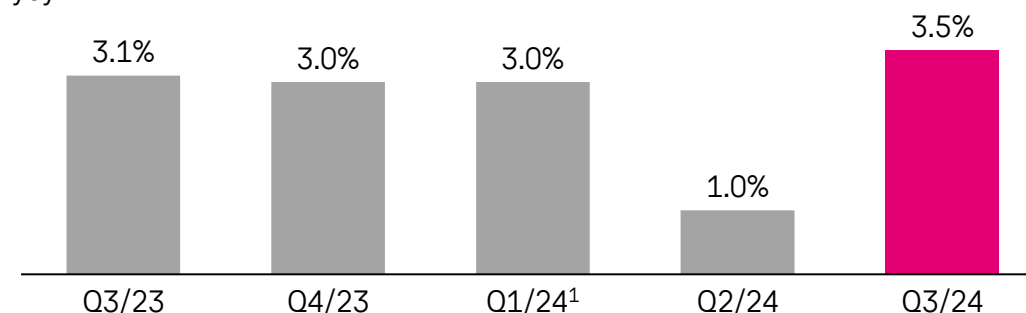
### Revenue growth (organic)

% yoy



### Adj. EBITDA AL (organic)

% yoy



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

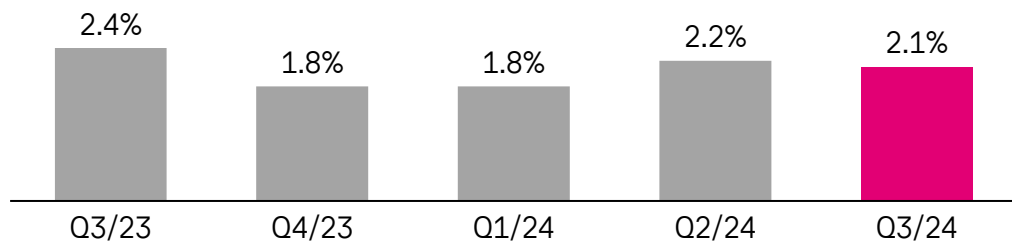
# Germany

## total service revenues: steady growth



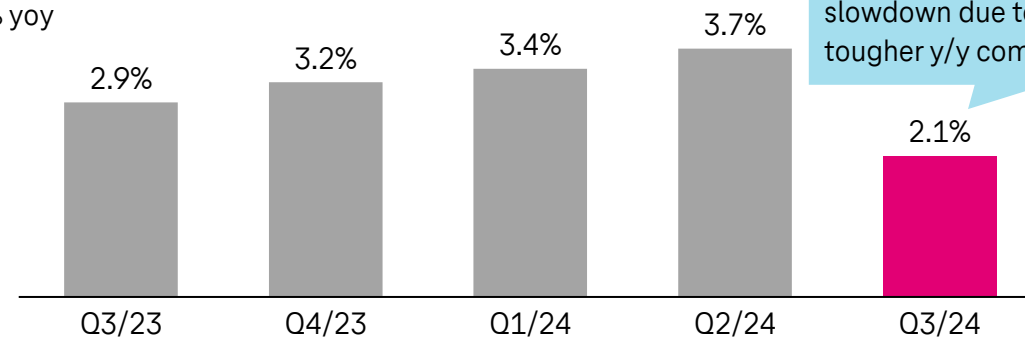
### Total service revenue growth (organic)

% yoy



### Mobile service revenue growth (organic)

% yoy



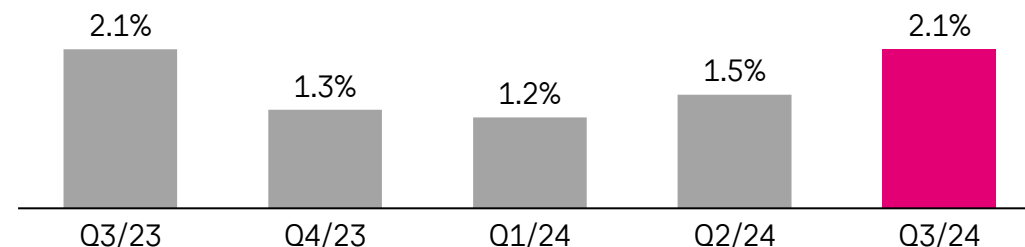
### Revenue growth (reported)

% yoy

- Reported total service revenue growth +2.1%
- Reported fixed service revenue growth +2.1%
- Reported mobile service revenue growth +2.1%

### Fixed service revenue growth (organic)

% yoy



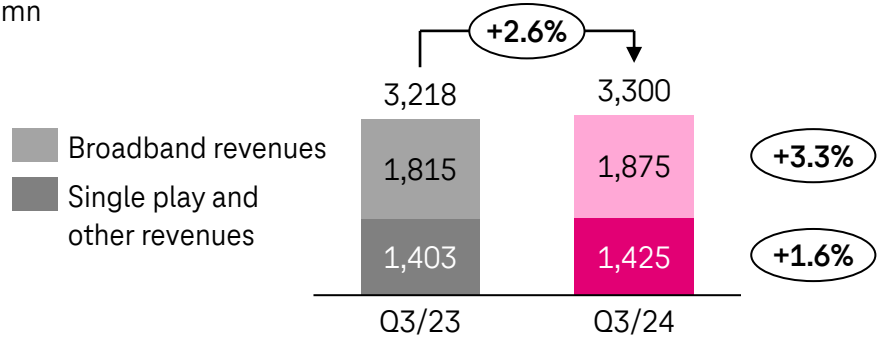
# Germany

## fixed revenues: improvement in retail and wholesale access



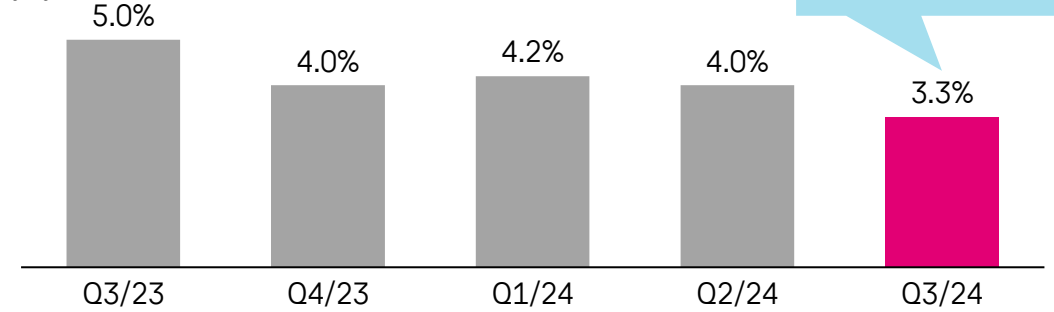
### Retail fixed revenues (reported)

€ mn



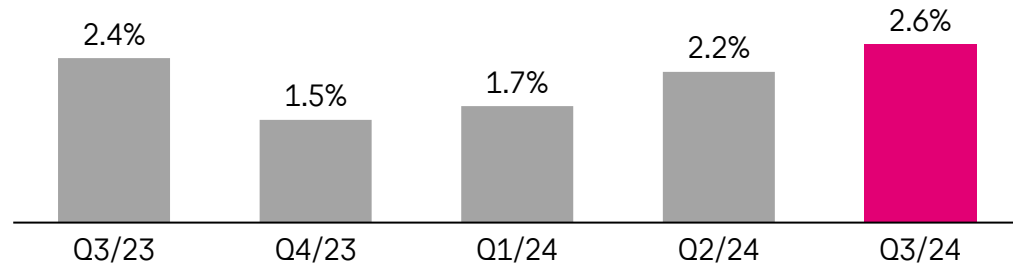
### Broadband revenue growth (organic)

% yoy



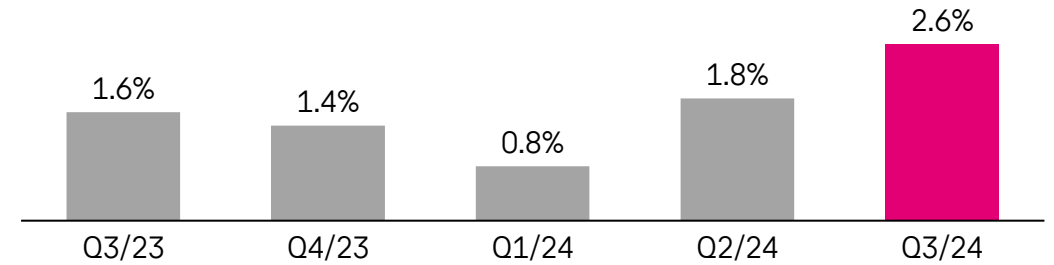
### Retail fixed revenue growth (organic)

% yoy



### Wholesale access revenues (organic)

% yoy



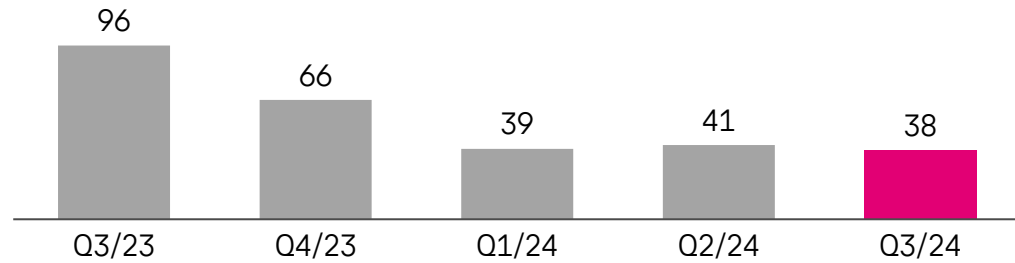
# Germany

fixed KPIs: broadband growth steady, TV and FTTH faster



## Broadband net adds

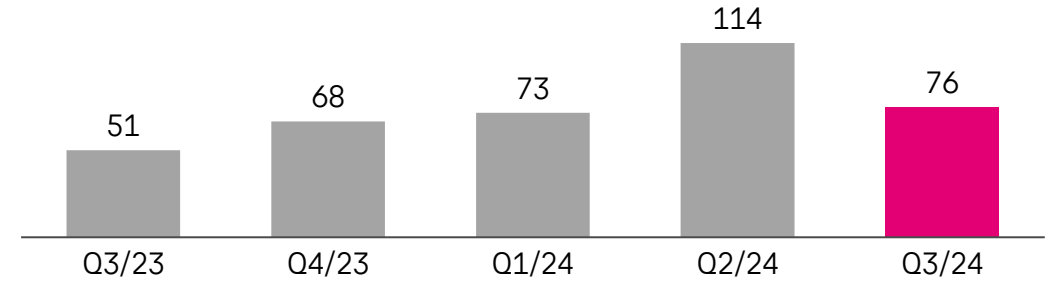
000



## TV net adds (ex OTT)

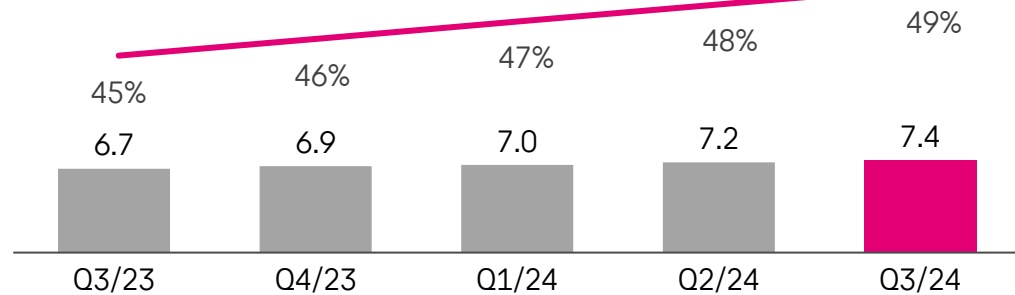
000

In addition, OTT with 0.3 mn net adds YTD



## Retail customers with $\geq 100$ Mbit/s tariff

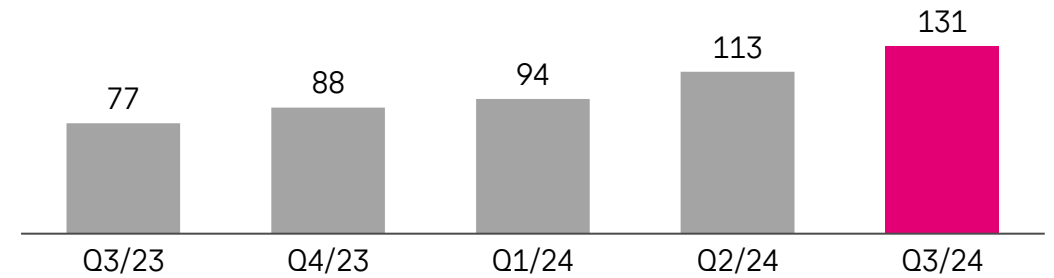
mn/% of customer base



## FTTH net adds

000

FTTH on track for 450 k net adds in FY24



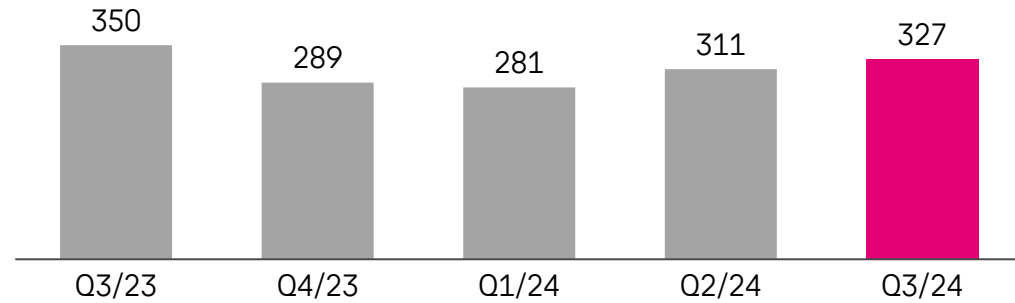
# Germany

## mobile KPIs: strong customer intake in a competitive market



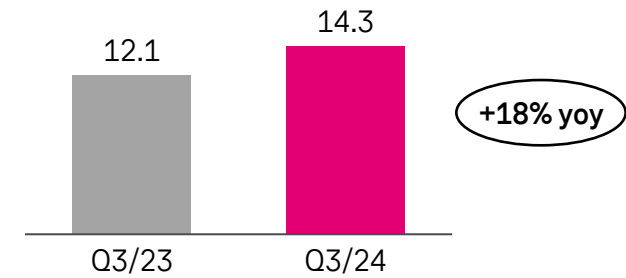
### Branded contract net adds<sup>1</sup>

000



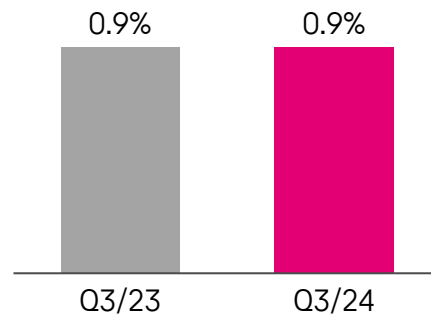
### Data usage<sup>2</sup>

GB per month



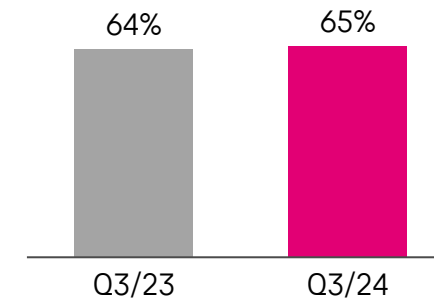
### Churn<sup>2</sup>

%



### Magenta EINS share (mobile)<sup>3</sup>

%



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

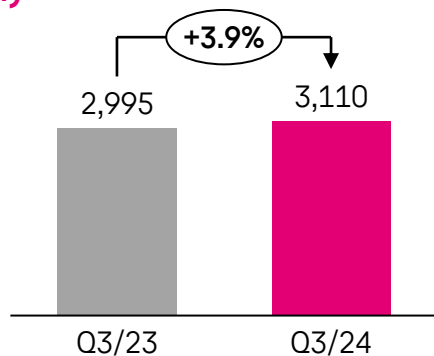
# Europe

## 27<sup>th</sup> consecutive quarter of organic EBITDA growth



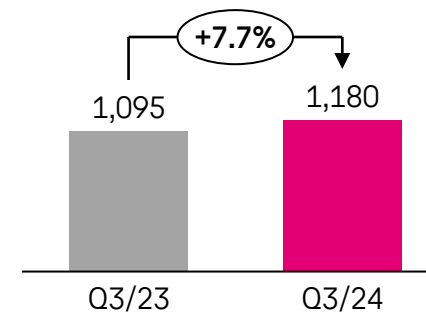
### Revenues (reported)

€ mn



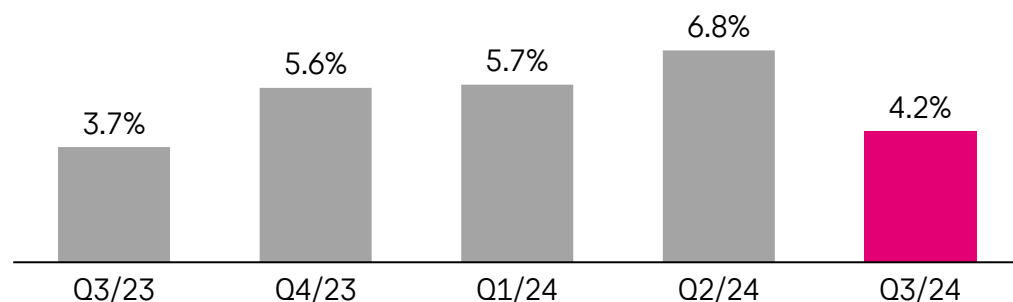
### Adj. EBITDA AL (reported)

€ mn



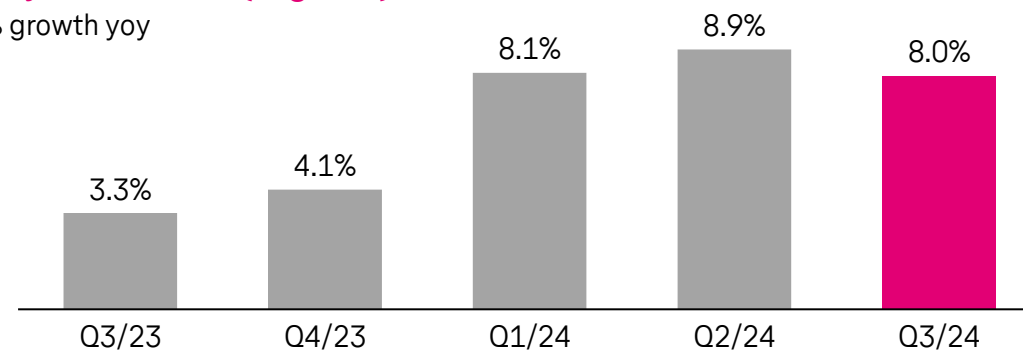
### Revenues (organic)

% growth yoy



### Adj. EBITDA AL (organic)

% growth yoy

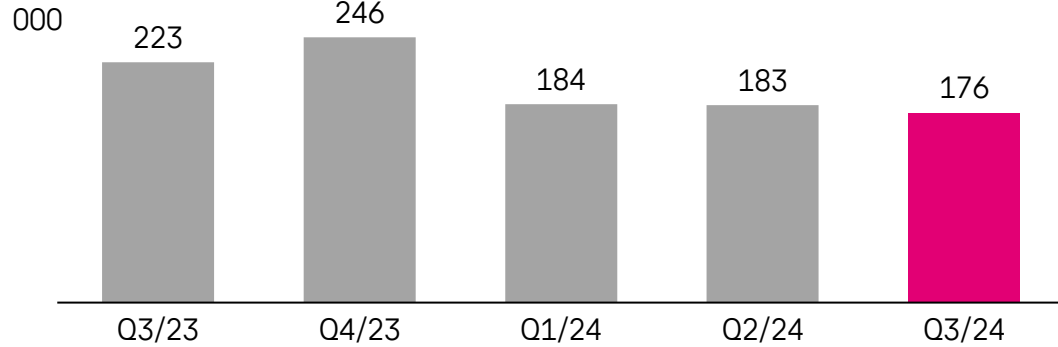


# Europe

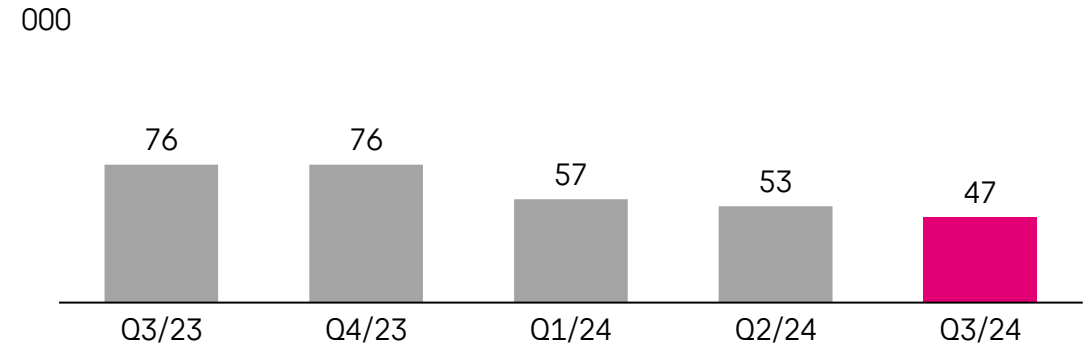
## strong commercial performance continues



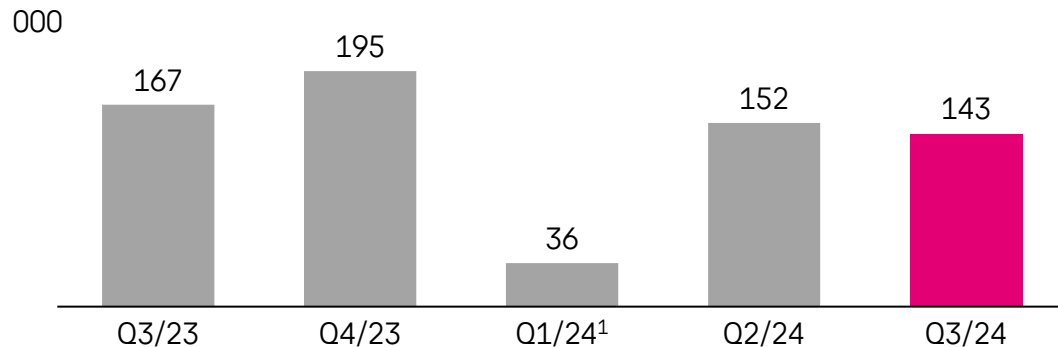
### Mobile contract net adds



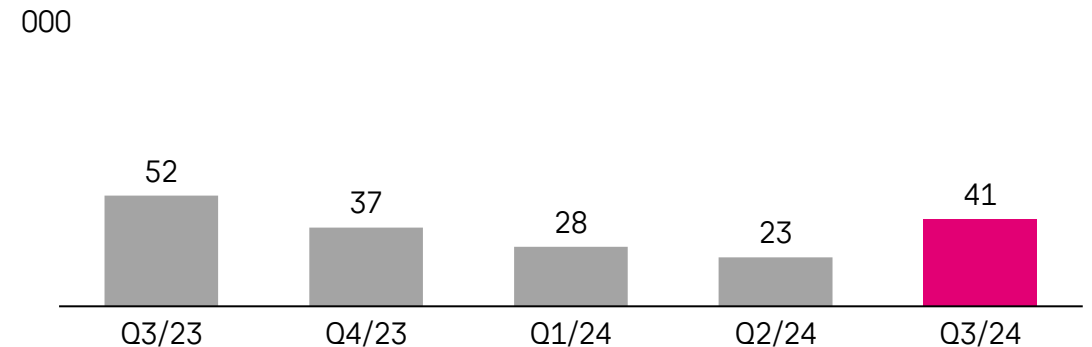
### Broadband net adds



### FMC net adds



### TV net adds



<sup>1</sup> Thereof >-100k due to contract changes in Slovakia.

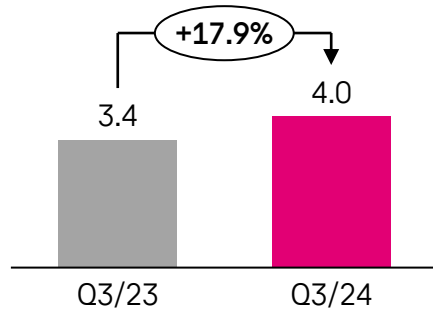


# Systems Solutions

growth in order entry, revenue, and profitability

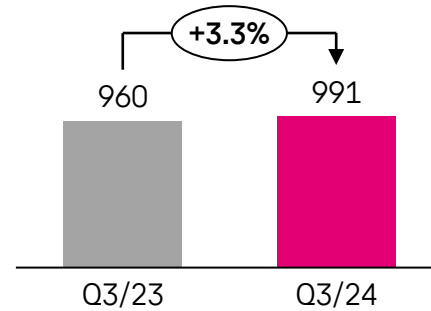
## Order entry (LTM)

€ bn



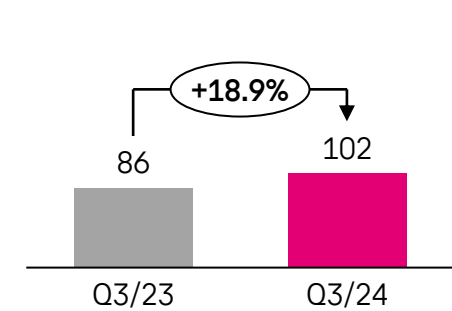
## Revenues (reported)

€ mn



## Adj. EBITDA AL (reported)

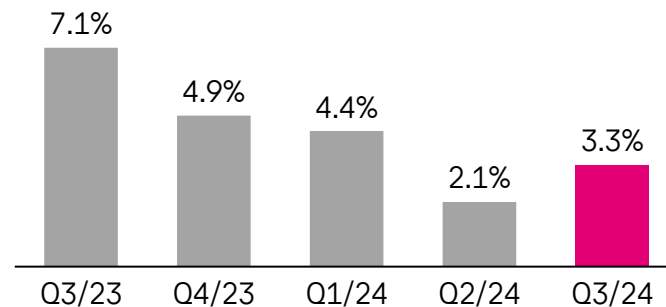
€ mn



- Order entry growth mainly driven by cloud business
- External revenue growing by +4% yoy
- EBITDA AL driven by revenue and costs
- All time high in customer satisfaction (TRI\*M)

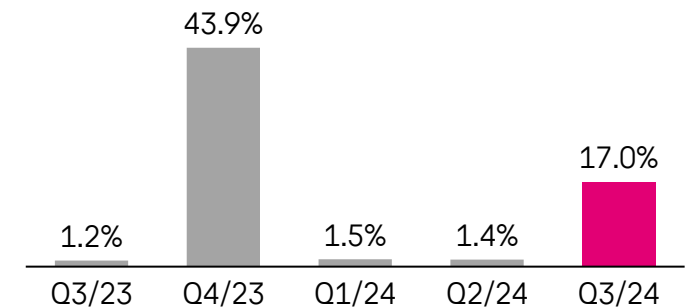
## Revenues (organic)

% growth yoy



## Adj. EBITDA AL (organic)

% growth yoy



# Financials Q3/24 reported

## strong set of results across the board

€ mn

	Q3			9M		
	2023	2024	Change	2023	2024	Change
Revenue	27,556	28,501	+3.4%	82,616	84,838	+2.7%
Service revenues	23,258	24,127	+3.7%	69,025	71,700	+3.9%
Adj. EBITDA AL	10,486	11,096	+5.8%	30,488	32,389	+6.2%
Adj. EBITDA AL (excl. US)	3,695	3,851	+4.2%	10,606	10,975	+3.5%
Adj. Net profit	2,268	2,335	+3.0%	6,114	7,051	+15.3%
Net profit	1,924	2,957	+53.7%	18,823	7,027	-62.7%
Adj. EPS (in €)	0.46	0.47	+4.0%	1.23	1.43	+16.0%
Free cash flow AL <sup>1</sup>	4,688	6,189	+32.0%	11,789	15,126	+28.3%
Cash capex <sup>1</sup>	4,062	3,601	-11.4%	13,243	11,946	-9.8%
Net debt excl. leases (AL)	96,923	92,474	-4.6%	96,923	92,474	-4.6%
Net debt incl. leases (IFRS 16)	137,128	128,723	-6.1%	137,128	128,723	-6.1%

9M/23 benefitted from gains in asset sales e.g. Towers

Includes 3 cents tailwind of non-recurring EPS.

Decrease in capex driven by TMUS. Ex US capex up by €0.1 bn

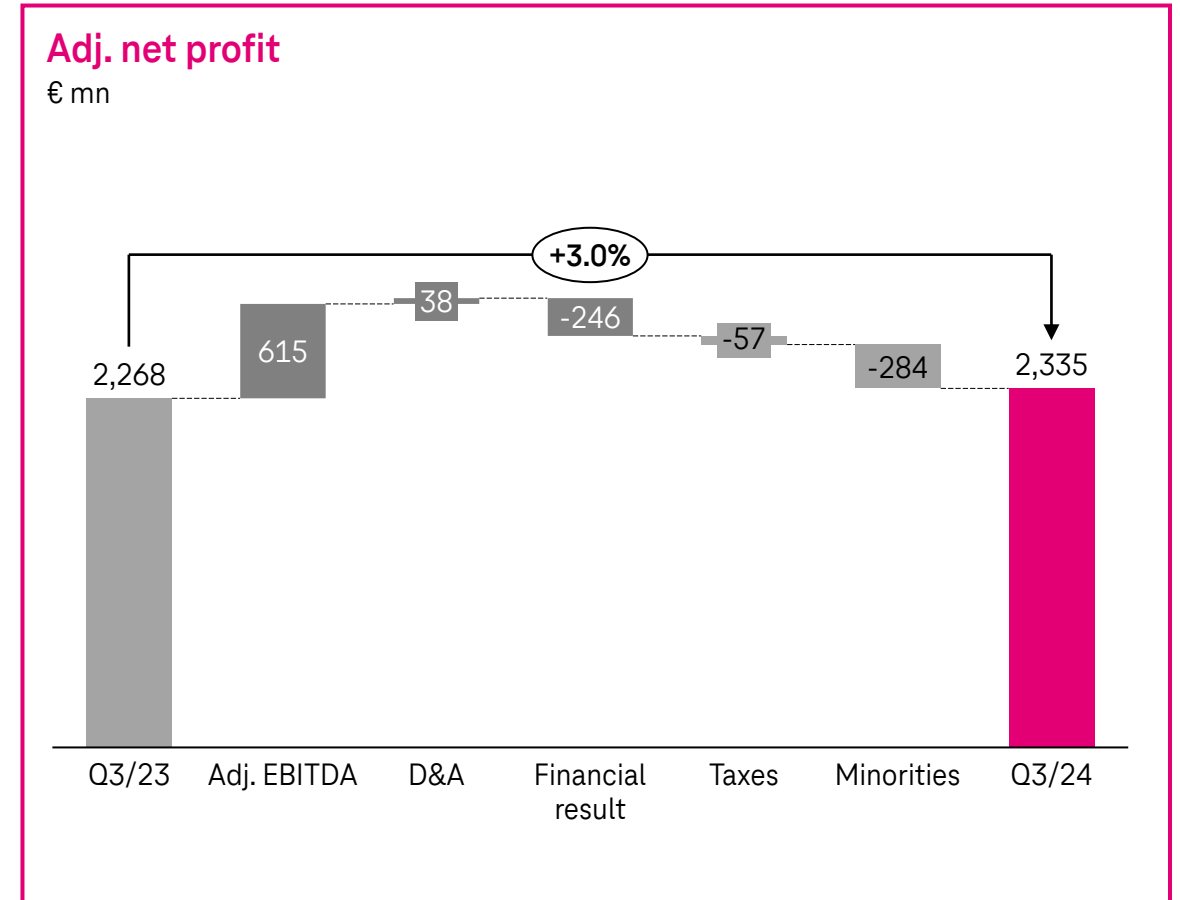
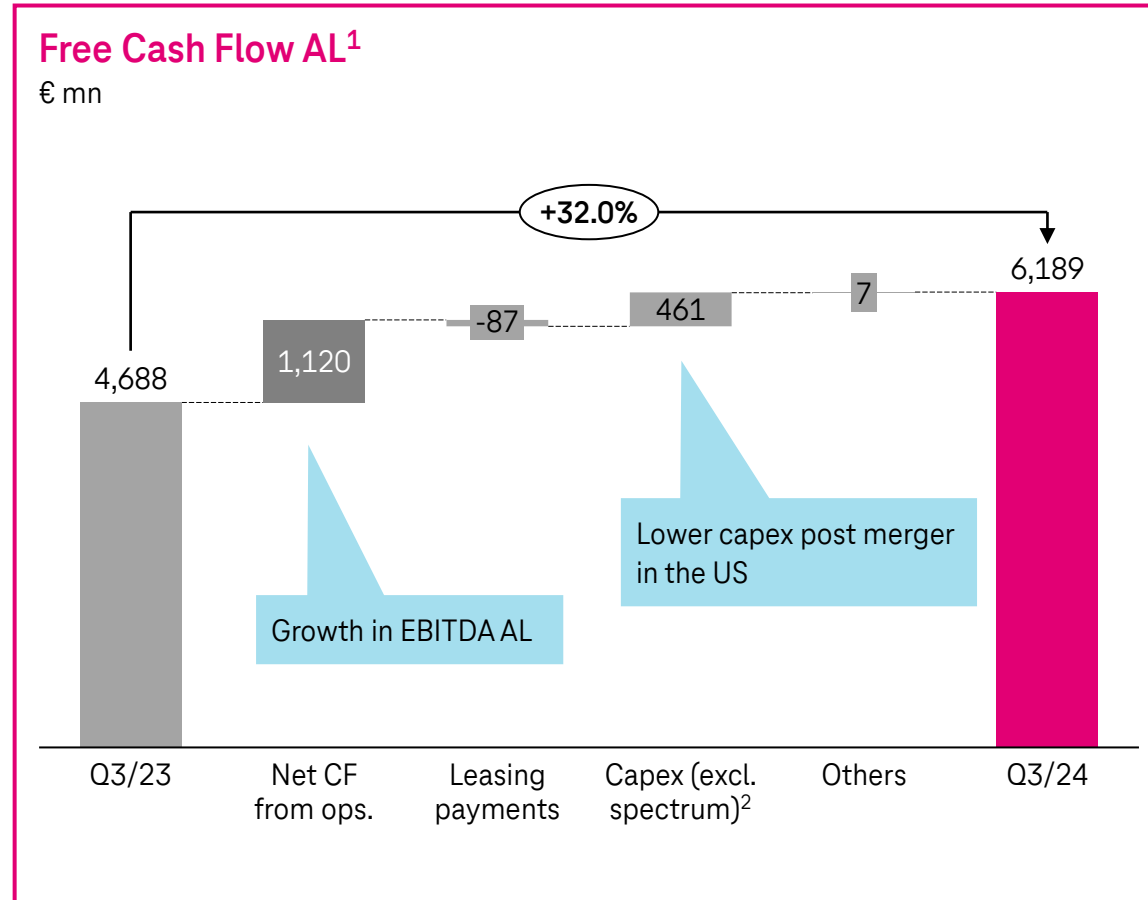
<sup>1</sup>Free cash flow AL before dividend and before spectrum investments. Cash capex before spectrum investment. Spectrum: 9M/24: €2424 mn 9M/23: €459 mn; Q3/24: €2,192 mn Q3/23: €203 mn.

In this presentation the Group in 9M/23 is presented in accordance with the management view: certain key performance indicators in 2023 like revenue and adj. EBITDA AL are presented as if GD Towers still would be fully consolidated.

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

# FCF AL and adj. net profit

FCF reflecting growth in EBITDA and lower capex in the US



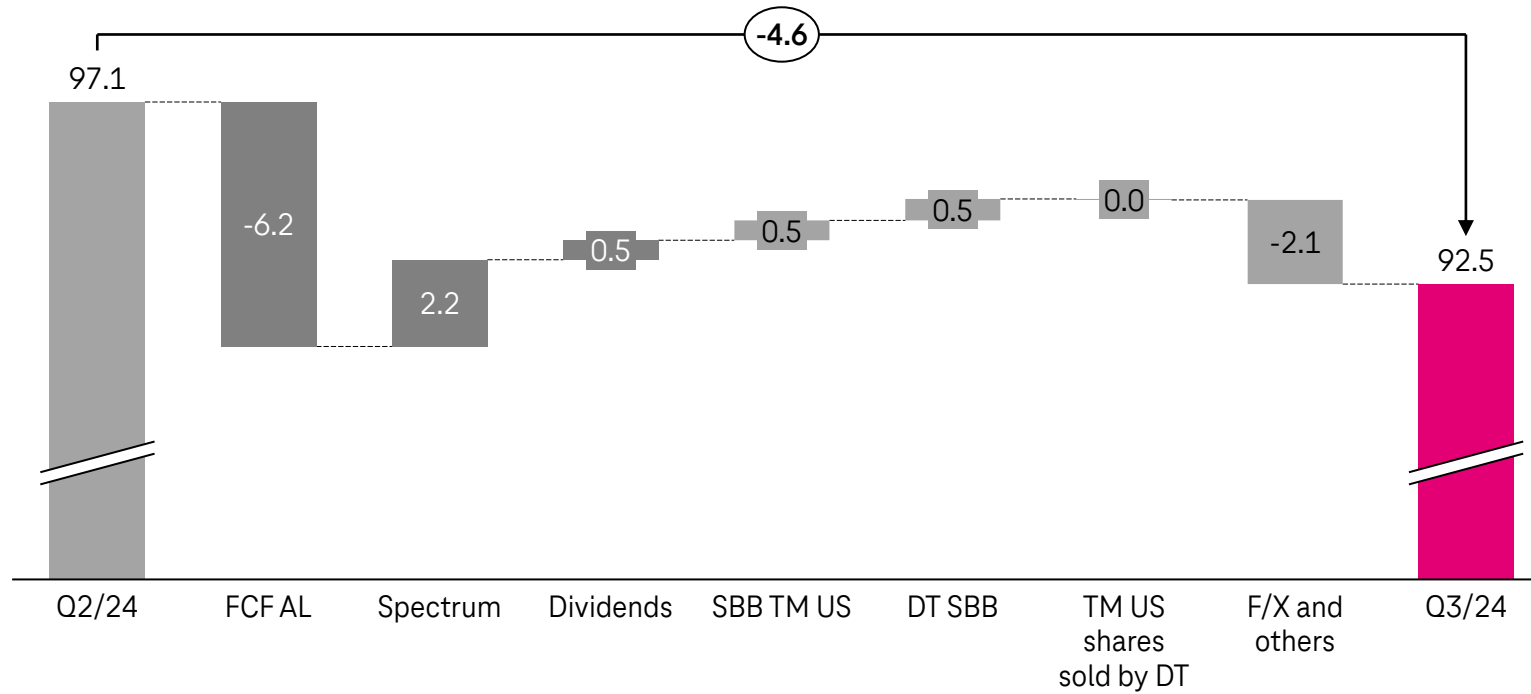
<sup>1</sup> Free cash flow and FCF AL before dividend payments and spectrum investment. <sup>2</sup> Spectrum: Q3/24: €2,192 mn Q3/23: €203 mn.

# Net debt

leverage ratio below 2.75x guardrail

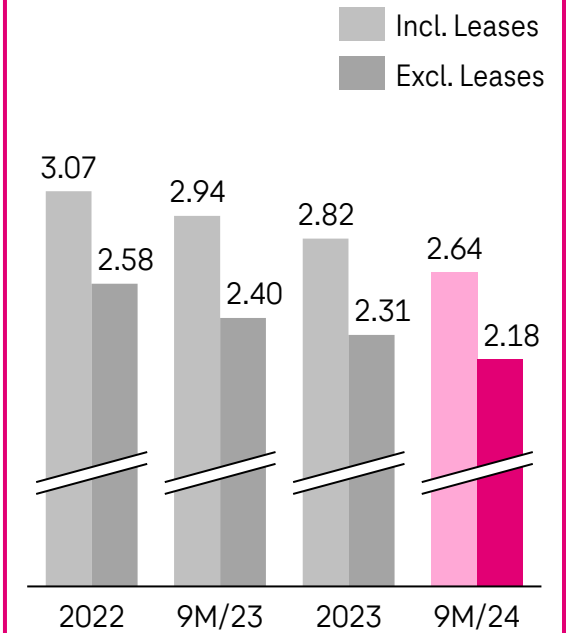
## Net debt excl. leases (AL)

€ bn



## Leverage ratios

X



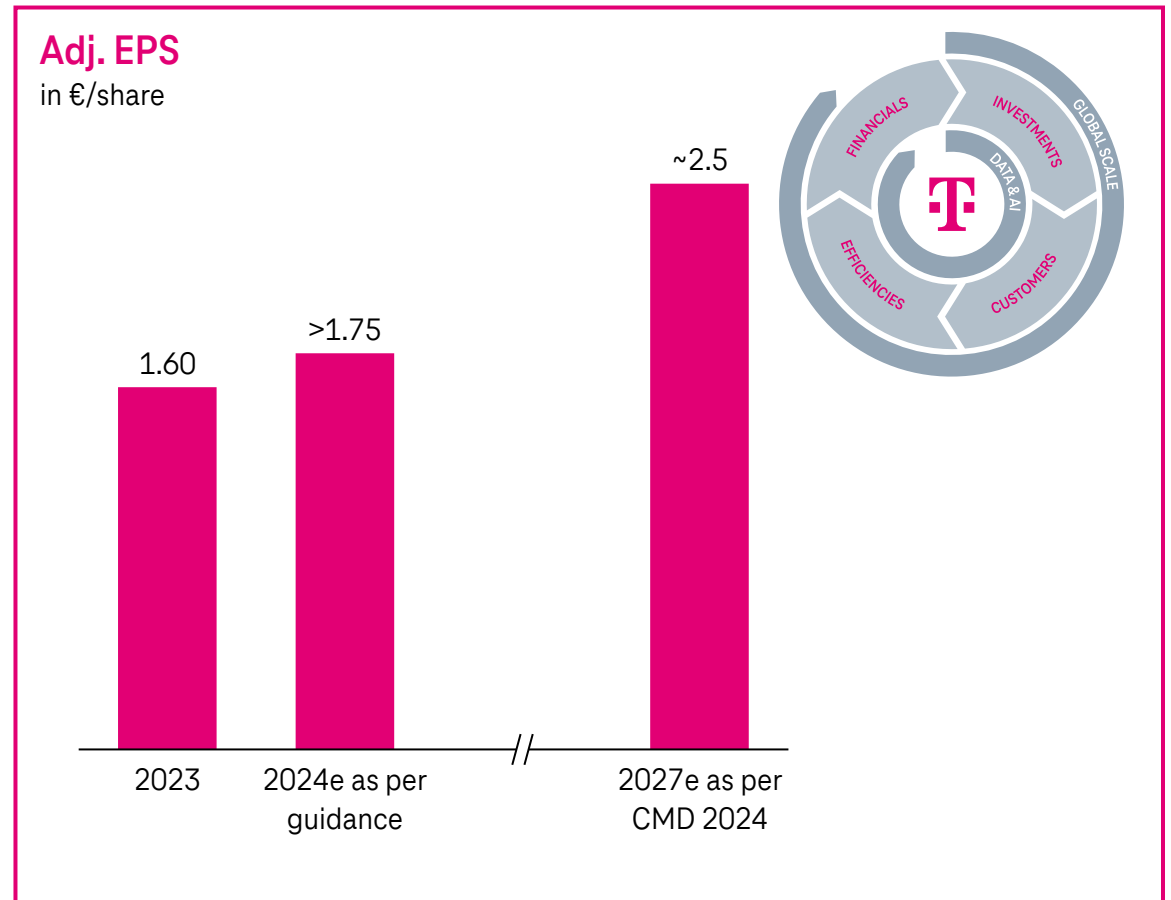
# **Q3 2024 results**

Main takeaways

# 9M/24 Key messages

## consistent reliable growth

- Ongoing strong commercial and financial performance
- 2024 adj. EBITDA AL guidance raised on both sides of the Atlantic
- Earnings growth to continue, at >11% 2023 – 2027 CAGR, as per CMD 2024
- Back below 2.75x leverage guardrail
- Attractive shareholder returns proposed for 2025<sup>1</sup> (€90 cents dividend plus up to €2 bn DT share buyback)



<sup>1</sup> Subject to necessary approvals.

# Q3 2024 results

## Appendix

# Organic growth rates

In %

	Q3/24 over Q3/23	9M/24 over 9M/23
Group revenues	+3.6	+2.9
Group service revenue	+3.8	+4.0
Service revenue excl. US	+3.0	+3.5
Group Adj. EBITDA AL	+6.4	+6.3
Adj. EBITDA AL excl. US	+4.3	+4.1
Group adj. Core EBITDA AL <sup>1</sup>	+6.7	+6.9

<sup>1</sup> adj. EBITDA AL excl. TMUS handset leases.

In this presentation the Group in H1/23 is presented in accordance with the management view: certain key performance indicators like revenue and adj. EBITDA AL are presented as if Group Development still would be fully consolidated. This view is different to the consolidated financial statements of DT where Group Development is treated as a discontinued operation. For more details, please refer to the back-up to this presentation, respectively the interim report of DT, both available at [www.telekom.com/en/investor-relations](http://www.telekom.com/en/investor-relations).

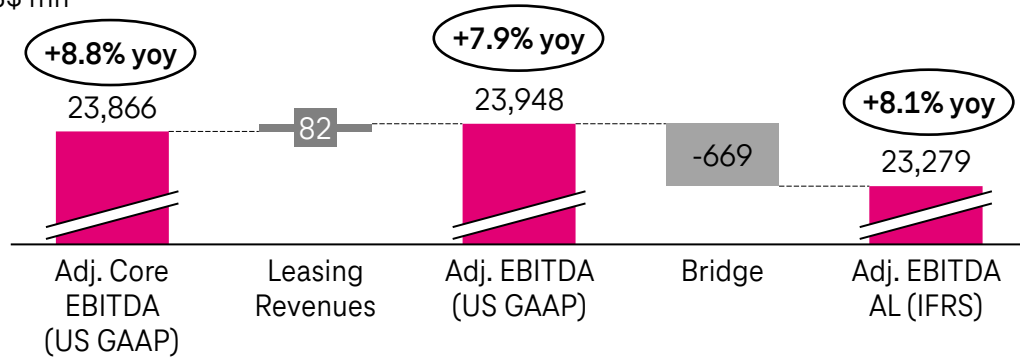


# TMUS

## EBITDA reconciliation

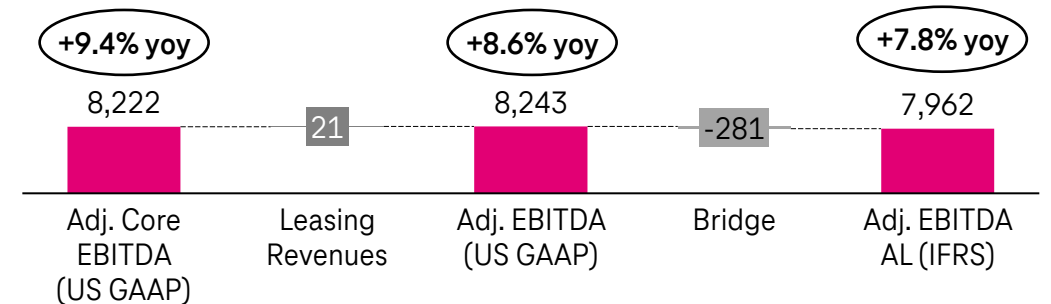
9M/24

US\$ mn



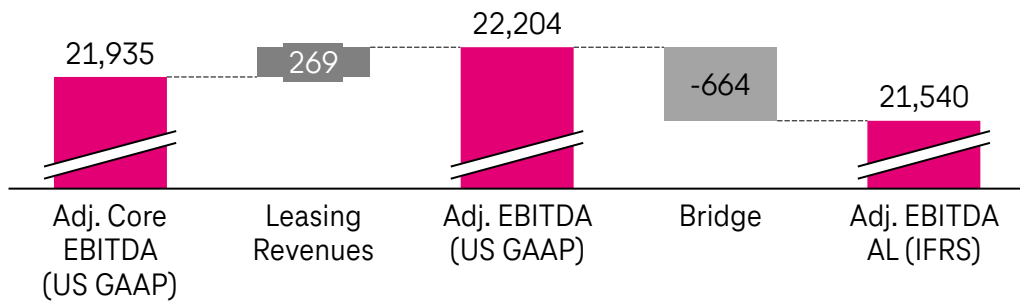
Q3/24

US\$ mn



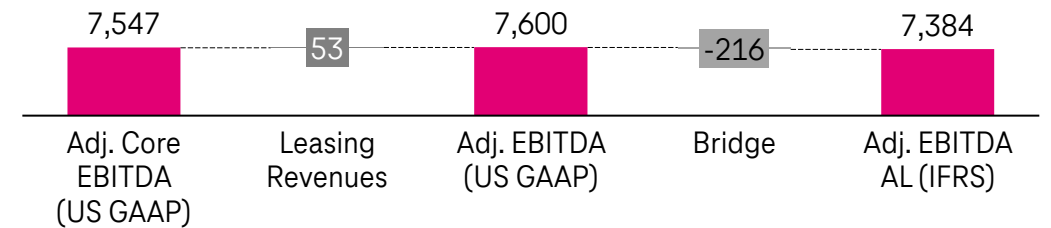
9M/23

US\$ mn



Q3/23

US\$ mn



# FCF AL excl. US<sup>1</sup>

full year 2024 guidance of €3.5 bn unchanged

€ bn

	9M 2023	9M 2024
<b>Adj. EBITDA</b>	<b>11.7</b>	<b>12.1</b>
Leasing opex	-1.1	-1.1
<b>Adj. EBITDA AL</b>	<b>10.6</b>	<b>11.0</b>
Cash Capex	-5.7	-5.8
Proceeds from sale of fixed assets	+0.0	+0.1
Special Factors Cash	-0.7	-0.8
Interest ex leasing	-0.6	-0.7
Cash Taxes	-0.7	-0.9
Other (working capital etc.)	+0.3	+0.4
<b>FCF AL</b>	<b>3.2</b>	<b>3.3</b>

FY Guidance €14.5 bn

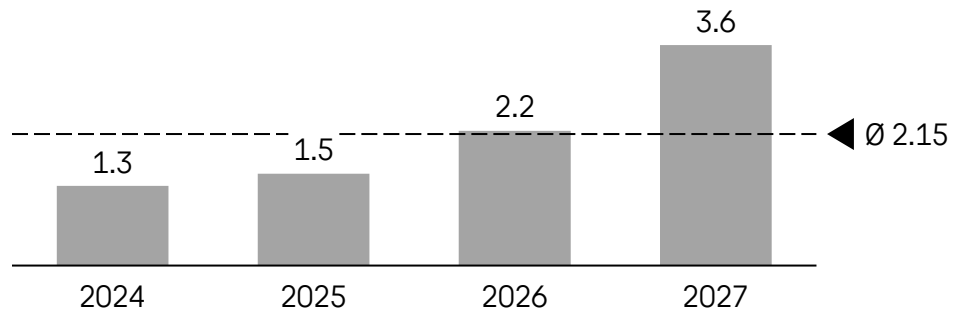
<sup>1</sup> Includes cash returns related to tower transaction. Excludes TMUS dividend receipts.

# Financials

## maturity profile covered by strong liquidity reserve

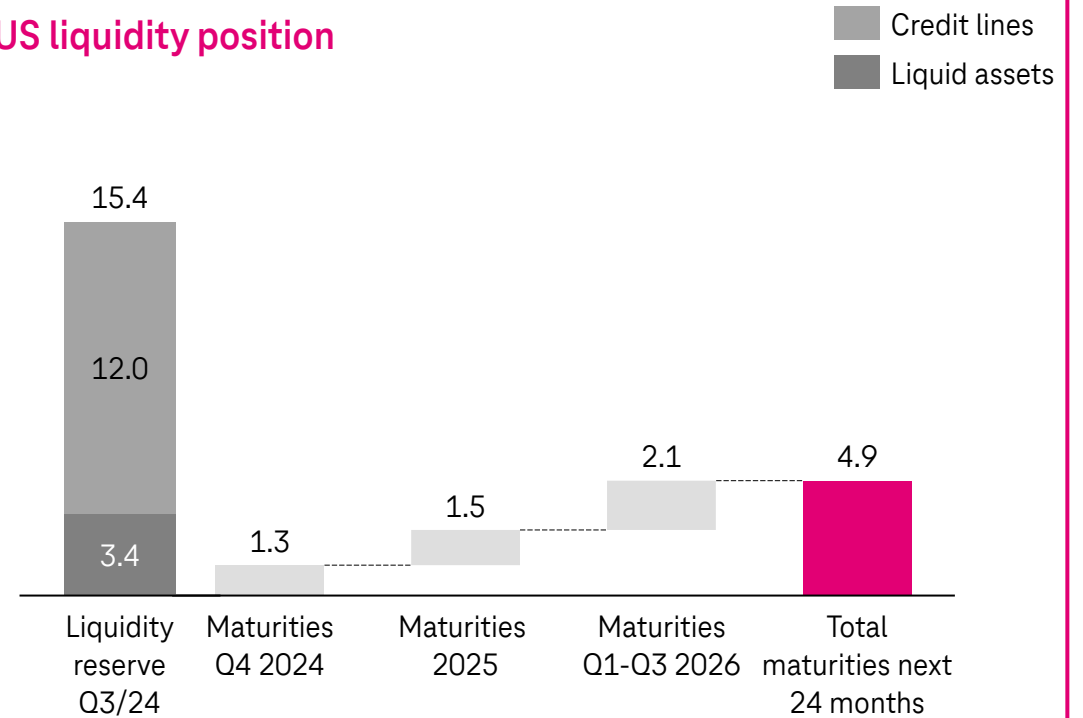
### Ex US debt maturing

€ bn



### Ex US liquidity position

€ bn



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

# Balance sheet

## leverage below guardrail

€ bn

	30/09/2023	31/12/2023	31/03/2024	30/06/2024	30/09/2024
Balance sheet total	302.5	290.3	295.2	296.0	288.6
Shareholders' equity	96.6	91.2	93.2	92.4	92.4
Net debt excl. leases (AL)	96.9	93.7	94.5	97.1	92.5
Net debt excl. leases (AL)/adj. EBITDA AL <sup>1</sup>	2.40	2.31	2.30	2.32	2.18
Net debt incl. leases (IFRS 16)	137.1	132.3	133.1	135.1	128.7
Net debt incl. leases IFRS 16/adj. EBITDA <sup>1</sup>	2.94	2.82	2.81	2.81	2.64
Equity ratio	31.9%	31.4%	31.6%	31.2%	32.0%

### Comfort zone ratios

Rating: A-/BBB	●
Leverage ≤ 2.75x Net debt IFRS 16/Adj. EBITDA	●
25 – 35% equity ratio	●
Liquidity reserve covers redemptions of the next 24 months	●

### Current rating

Fitch:	<b>BBB+</b>	stable outlook
Moody's:	<b>Baa1</b>	<b>NEW:</b> positive outlook
S&P:	<b>BBB+</b>	stable outlook

<sup>1</sup> Ratios for the interim quarters calculated on the basis of previous 4 quarters.

# Guidance 2024

## compared to consensus

€ bn

	Guidance 2024 in € @ 1.08	Guidance 2024 in € @ 1.09 (Cons. f/x)	Consensus in € @ 1.09
<b>Adj. EBITDA AL Group</b>	<b>~43.0</b>	<b>~42.8</b>	<b>43.0</b>
thereof ex US	14.5	14.5	14.5
thereof TMUS	~28.6	~28.3	28.4
<b>FCF AL</b>	<b>~19.0</b>	<b>~19.0</b>	<b>18.9</b>
thereof ex US	~3.5 <sup>1</sup>	~3.5 <sup>1</sup>	3.6
thereof TMUS	~15.6	~15.5	15.4 <sup>2</sup>
<b>Adj. EPS in €</b>	<b>&gt;1.75</b>	<b>n.a.</b>	<b>1.81</b>

<sup>1</sup> Includes €0.2 bn of cash returns related to tower transaction. <sup>2</sup> Calculated by using the DT pre-results Group consensus of €18,947 bn and subtracting ex US contribution of 3,562.

# Outlook 2024/25 as per annual report 2023 (1/2)<sup>1</sup>

€ bn

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

<sup>1</sup> See annual report 2023 for additional details.

# Outlook 2024/25 as per annual report 2023 (2/2)<sup>1</sup>

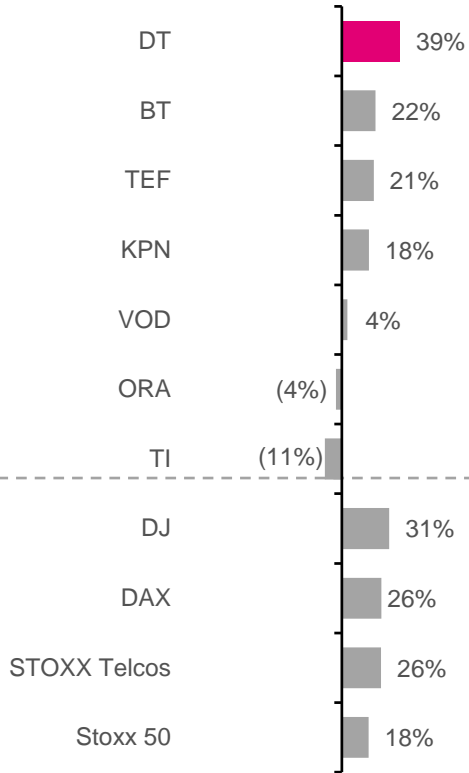
€ bn

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

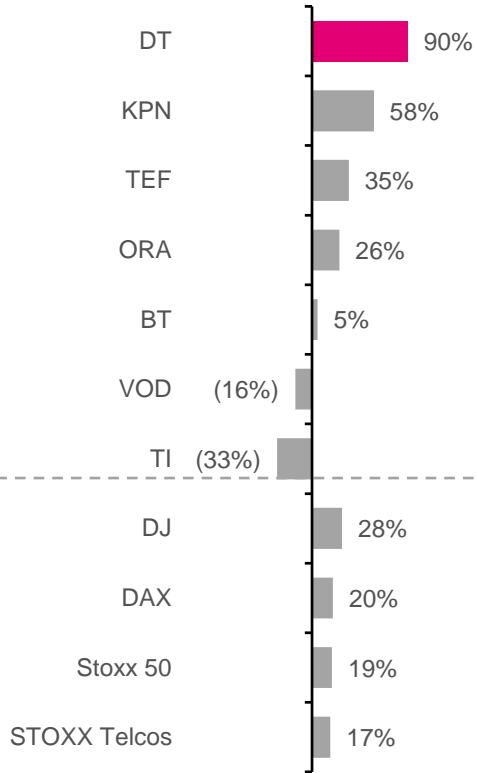
<sup>1</sup> See annual report 2023 for additional details.

# Total Shareholder Returns in the European Telecoms Sector

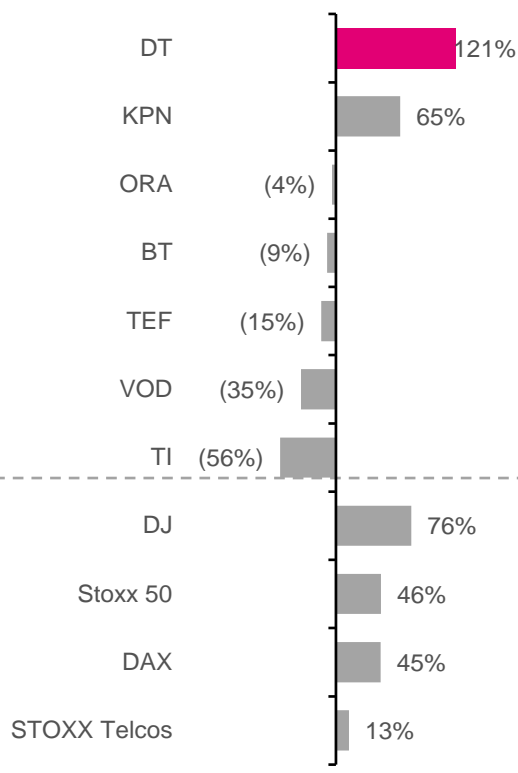
## 1 Year Performance



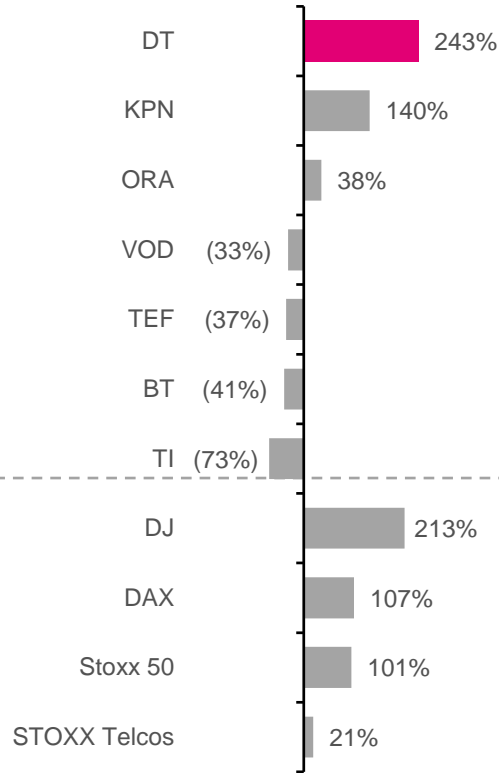
## 3 Year Performance



## 5 Year Performance



## 10 Year Performance



Source: FactSet. Data as per 08 November 2024.



# Investor + Analyst Webcast with Q&A session

The conference call will be held on **November 14 at 14:00 CET**, 13:00 GMT, 08:00 EST, 05:00 PST, 22:00 JST  
DT Participants: [Christian Illek](#) (CFO), [Hannes Wittig](#) (Head of IR)



- Live webcast
- Instant replay
- Available on all devices

- Detailed time stamps in video description for slides + Q&A:

Presentation	
	<b>Christian Illek (CFO) Group results + guidance</b>
0:01:11	Welcome
0:01:22	Overview (p#4)
0:03:34	Financials reported: strong growth (p#5)
0:04:30	Financials organic: strong growth (p#6)



<https://dtag.webex.com/dtag/j.php?MTID=ma6f7bc59f18c5e4c945f34da3e3bbb7c>

Password: Q3RESULTS

To ask a question, click the “lift hand” function. If you would like to cancel your question, click it again.



DE +49 69 791 2290, UK +44 203 630 1290,

US +1 331 214 7999

Meeting-ID: : 2784 956 6686

To ask a question, press “star 3”. If you would like to cancel your question, press “star 3” again.

# Further questions

please contact the IR department



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