



MEDIA INFORMATION

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Deutsche Telekom remains on track for growth in the third quarter and raises financial guidance for full-year 2024

- Net revenue up 3.6 percent in organic terms in the third quarter to 28.5 billion euros; service revenues up 3.8 percent in organic terms to 24.1 billion euros
- Adjusted EBITDA AL up 6.4 percent year-on-year in organic terms to 11.1 billion euros
- Free cash flow AL grows by 32.0 percent to 6.2 billion euros
- Adjusted net profit up 3.0 percent to 2.3 billion euros
- Target leverage ratio achieved
- Guidance for adjusted EBITDA AL of the Group raised to around 43.0 billion euros for 2024
- Germany: Fiber use continues to grow
- United States: Further industry-leading growth in customer numbers
- Europe: Growth trajectory continues
- Systems Solutions: Sustained uptrend

Delivered as promised. Deutsche Telekom remained on course for success in the third quarter of 2024, in line with the plans recently outlined by the company at its Capital Markets Day in mid-October. Revenue increased in the period from July to September by 3.6 percent year-on-year in organic terms – i.e., excluding exchange rate fluctuations and changes in the composition of the Group – to 28.5 billion euros. Service revenues grew by 3.8 percent in organic terms to 24.1 billion euros. Adjusted EBITDA AL increased in the reporting period by 6.4 percent in organic terms to 11.1 billion euros. The growth rates for reported figures, i.e., not in organic terms, were slightly lower due solely to the arithmetical effect of exchange rate fluctuations: Revenue was up by 3.4 percent, service revenue by 3.7 percent, and adjusted EBITDA AL by 5.8 percent.



“The growth momentum continues unabated on both sides of the Atlantic,” said Christian Illek, CFO of Deutsche Telekom. “At the same time, we have successfully brought our leverage ratio back down to below our target value.”

The ratio of net debt (including lease liabilities) to adjusted EBITDA was 2.64 at the end of September, down from 2.94 one year earlier and back below the target value of 2.75. Stronger free cash flow AL, which grew year-on-year by 28.3 percent in the first nine months of 2024, contributed to this development. At 6.2 billion euros, free cash flow AL was up 32.0 percent year-on-year in the third quarter of 2024. In October, the rating agency Moody’s raised the long-term rating outlook of Deutsche Telekom to positive. The Deutsche Telekom share has now reached a 23-year high.

Reported net profit came in at 3.0 billion euros, up by more than 50 percent against the prior-year comparative. On an adjusted basis, net profit increased by 3.0 percent to 2.3 billion euros. The difference between these two figures is mainly due to net positive special factors from the measurement of several financial investments prompted by a reduction in discount rates following changes in the capital market environment. Adjusted earnings per share reached 1.43 euros after nine months, up by 16 percent as against the same period in 2023, putting this figure on track to reach the full-year target of over 1.75 euros.

In view of the positive development of business both at T-Mobile US and in business outside of the United States, the Group has raised its full-year guidance. Deutsche Telekom now expects to report adjusted EBITDA AL of around 43.0 billion euros, up from the previous guidance of around 42.9 billion euros. This relates to T-Mobile US raising the mid-point of its guidance range by 50 million U.S. dollars, and to an expected increase in earnings of now 0.1 billion euros contributed by business outside of the United States. The guidance for free cash flow AL remains unchanged at around 19.0 billion euros.

Deutsche Telekom previously announced its plans for shareholder remuneration at its Capital Markets Day. The company is set to pay out a record dividend of 90 eurocents per share in the coming year for the current financial year, subject to approval by the relevant bodies. Deutsche Telekom is also planning share buy-backs for 2025 with a volume of up to 2 billion euros.



Germany: Fiber use continues to grow sharply

Use of fiber is gathering pace. In the third quarter, a record 131,000 customers opted for a fiber plan from Deutsche Telekom. This compares to 77,000 FTTH lines activated in the prior-year period. Broadband net adds totaled 38,000. 49 percent of retail broadband customers now use a rate plan offering speeds of up to 100 MBit/s and more. The number of new TV customers increased significantly to 76,000, up from 51,000 TV net adds in the prior-year period.

Deutsche Telekom once again posted a strong quarter on its domestic market with 327,000 branded mobile contract net adds. Mobile service revenues grew by 2.1 percent year-on-year between July and September.

Revenue in the Germany operating segment grew by 2.5 percent in the third quarter to 6.5 billion euros. Adjusted EBITDA AL rose by 3.5 percent to 2.7 billion euros, resulting in a margin of 42.2 percent.

United States: Further industry-leading growth

T-Mobile US once again pulled ahead of its competitors with strong growth in key customer metrics in the third quarter of 2024. The postpaid customer base grew by 1.6 million, while the number of postpaid phone customers was up by 865,000. The churn rate in the key postpaid phone customer segment dropped to 0.86 percent, reaching a record low for a third quarter.

Service revenues increased by 5.2 percent in the quarter just ended to 16.7 billion U.S. dollars. At the same time, adjusted EBITDA AL rose 7.8 percent year-on-year to 8.0 billion euros. With these growth rates, the company is once again leading the industry.

Europe: Growth trajectory continues

Revenue and earnings continued to grow in the national companies in Europe in the third quarter. Adjusted EBITDA AL increased by 8.0 percent in organic terms to 1.2 billion euros. Revenue grew in the same period by 4.2 percent in organic terms compared with the prior-year period to 3.1 billion euros. The key service revenues increased by 4.7 percent.

The mobile contract customer base grew by 176,000 in the third quarter to 27.8 million, while the number of users of fixed-mobile convergence products passed the 8 million mark for the



first time on the back of 143,000 FMC net adds in the same three months. The number of broadband customers increased by 47,000, and the number of TV customers by 41,000. Greece was the biggest contributor with 24,000 TV net adds, thanks in part to an attractive portfolio of sports broadcasting rights.

Systems Solutions: Sustained uptrend

T-Systems underpinned the solid uptrend of recent times with consistently positive financial performance indicators. In the period July to September, the company recorded an increase in order entry of 18.0 percent year-on-year in organic terms to 870 million euros. Revenue grew in the same period by 3.3 percent in organic terms to 991 million euros.

Adjusted EBITDA AL increased by 17.0 percent in organic terms to 102 million euros. T-Systems contributed to the increase in value of the Group with a positive cash contribution of 28 million euros, up from 18 million euros in the third quarter of the previous year.



The Deutsche Telekom Group at a glance

	Q3 2024 millions of €	Q3 2023 millions of €	Change %	Q1-Q3 2024 millions of €	Q1-Q3 2023 millions of €	Change %	FY 2023 millions of €
Net revenue	28,501	27,556	3.4	84,838	82,616	2.7	111,985
Proportion generated internationally %	76.0	76.6	-0.6p	75.9	77.1	-1.2p	77.0
Service revenue	24,127	23,258	3.7	71,700	69,025	3.9	92,919
Adjusted EBITDA	12,689	12,074	5.1	37,158	35,212	5.5	46,831
Adjusted EBITDA AL	11,096	10,486	5.8	32,389	30,488	6.2	40,497
Net profit (after non-controlling interests)	2,957	1,924	53.7	7,027	18,823	-62.7	17,788
Adjusted net profit (after non- controlling interests)	2,335	2,268	3.0	7,051	6,114	15.3	7,940
Earnings per share €	0.60	0.39	55.2	1.42	3.78	-62.5	3.57
Adjusted earnings per share €	0.47	0.46	4.0	1.43	1.23	16.0	1.60
Free cash flow AL	6,189	4,688	32.0	15,126	11,789	28.3	16,141
Cash capex ^a	5,793	4,265	35.8	14,370	13,702	4.9	17,866
Cash capex ^a (before spectrum)	3,601	4,062	-11.4	11,946	13,243	-9.8	16,591
Net debt (including leases)				128,723	137,128	-6.1	132,279



Number of employees ^b				199,923	204,236	-2.1	199,652
Of which in Germany				75,856	79,672	-4.8	78,600

Comments on the table

New partners for the cell tower business

On July 13, 2022, Deutsche Telekom agreed to sell a 51.0 percent stake in the tower business companies in Germany and Austria (GD Towers) to DigitalBridge and Brookfield. The transaction was consummated on February 1, 2023. From this date onward, GD Towers is no longer included in the Group's figures as a fully consolidated entity.

The sale resulted in a gain on deconsolidation, recognized in reported net profit, in the first quarter of 2023 of 12.9 billion euros. This extraordinary income has been eliminated from the adjusted net profit for the first nine months of 2023 and full-year 2023.

The stake in the cell tower business retained by Deutsche Telekom of 49.0 percent has been recognized using the equity method since February 1, 2023.

The GD tower company DFMG Deutsche Funkturm GmbH continues to build and operate passive infrastructure for Deutsche Telekom's mobile network. This primarily comprises the concrete or steel mast, its foundation, the power connection, cooling, and climate control. It does not include the active network technology (primarily the antennas) or the fiber-optic circuits. These remain the property of Deutsche Telekom.

a) Cash outflows for investments in property, plant, and equipment, and intangible assets (excluding goodwill).

b) At reporting date.



Operating segments: Development of operations

	Q3 2024 millions of €	Q3 2023 millions of €	Change %	Q1-Q3 2024 millions of €	Q1-Q3 2023 millions of €	Change %	FY 2023 millions of €
Germany							
Total revenue	6,465	6,308	2.5	19,132	18,598	2.9	25,187
Adjusted EBITDA AL	2,731	2,638	3.5	7,859	7,655	2.7	10,238
United States							
Total revenue	18,293	17,638	3.7	54,584	53,455	2.1	72,436
<i>in USD</i>	20,100	19,188	4.7	59,334	57,911	2.5	78,340
Adjusted EBITDA AL	7,245	6,791	6.7	21,414	19,882	7.7	26,409
<i>in USD</i>	7,962	7,384	7.8	23,279	21,540	8.1	28,567
Europe							
Total revenue	3,110	2,995	3.9	9,142	8,678	5.3	11,790
Adjusted EBITDA AL	1,180	1,095	7.7	3,356	3,102	8.2	4,114
Systems Solutions							
Order entry	870	742	17.2	2,650	2,241	18.2	3,628
Total revenue	991	960	3.3	2,966	2,865	3.5	3,896
Adjusted EBITDA AL	102	86	18.9	267	245	8.8	321



Operating segments: Development of customer numbers in the third quarter of 2024

	Sept. 30, 2024 thousands	June 30, 2024 thousands	Change thousands	Change %
Germany				
Mobile customers	66,920	65,192	1,728	2.7
Of which contract customers	26,203	25,838	365	1.4
Fixed-network lines	17,212	17,253	-41	-0.2
Broadband lines	15,136	15,098	38	0.3
Of which optical fiber ^a	13,152	13,065	86	0.7
Television (IPTV, satellite)	4,590	4,514	77	1.7
Unbundled local loop lines (ULLs)	2,020	2,181	-161	-7.4
United States				
Customers	127,492	125,893	1,600	1.3
Of which postpaid customers	102,185	100,610	1,575	1.6
Of which prepaid customers	25,307	25,283	24	0.1
Europe				
Mobile customers	49,712	49,287	425	0.9
Of which contract customers	27,764	27,588	176	0.6
Fixed-network lines	8,045	8,033	12	0.1
Broadband customers	7,146	7,099	47	0.7
Television (IPTV, satellite, cable)	4,375	4,334	41	0.9

Comments on the table

a) Sum of all FTTx access lines (e.g., FTTC/VDSL, vectoring, and FTTH/B).



Operating segments: Development of customer numbers in year-on-year comparison

	Sept. 30, 2024 thousands	Sept. 30, 2023 thousands	Change thousands	Change %
Germany				
Mobile customers	66,920	59,778	7,142	11.9
Of which contract customers	26,203	24,811	1,392	5.6
Fixed-network lines	17,212	17,352	-140	-0.8
Broadband lines	15,136	14,952	184	1.2
Of which optical fiber ^a	13,152	12,620	531	4.2
Television (IPTV, satellite)	4,590	4,259	331	7.8
Unbundled local loop lines (ULLs)	2,020	2,690	-670	-24.9
United States				
Customers	127,492	117,907	9,585	8.1
Of which postpaid customers	102,185	96,312	5,873	6.1
Of which prepaid customers	25,307	21,595	3,712	17.2
Europe				
Mobile customers	49,712	47,949	1,763	3.7
Of which contract customers	27,764	26,976	788	2.9
Fixed-network lines	8,045	7,995	50	0.6
Broadband customers	7,146	6,913	233	3.4
Television (IPTV, satellite, cable)	4,375	4,246	129	3.0

Comments on the table

a) Sum of all FTTx access lines (e.g., FTTC/VDSL, vectoring, and FTTH/B).



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