

# Deutsche Telekom Company Presentation for Investors

February 2025



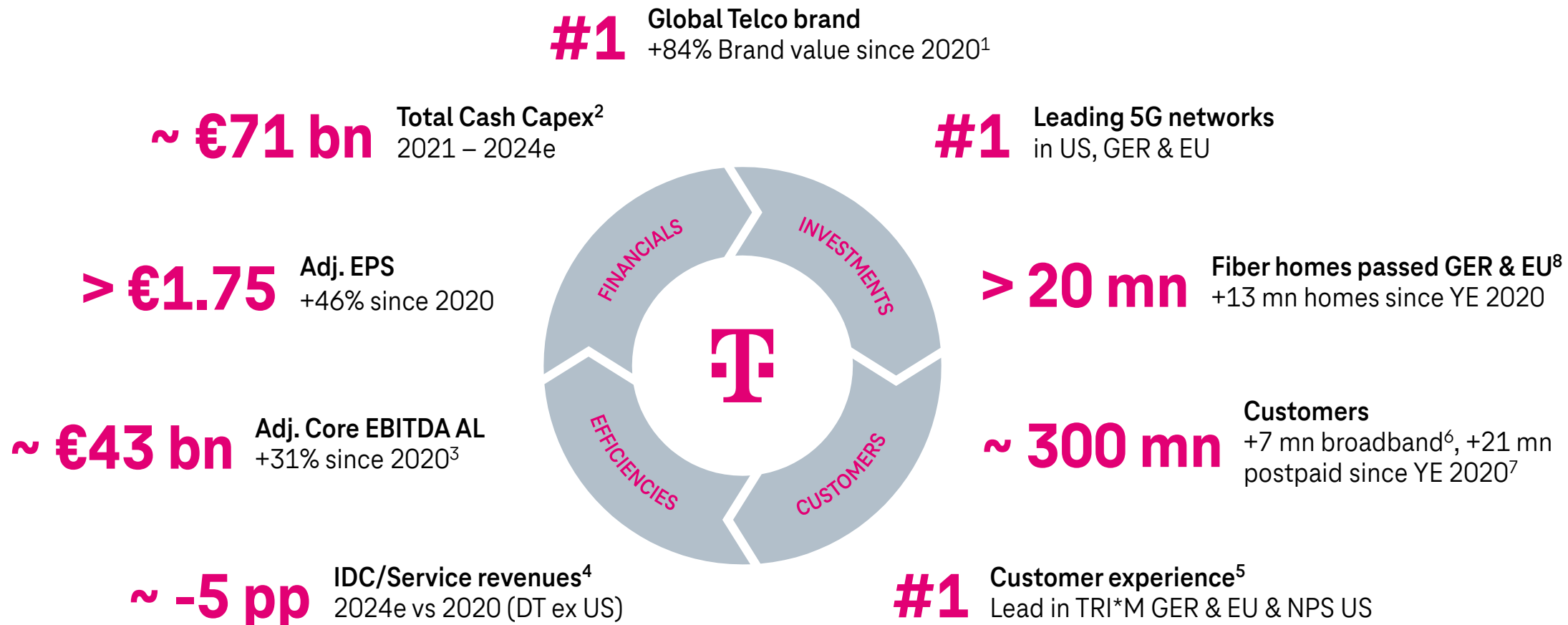
# Disclaimer

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

# Committed to lead and perform – again!

## STRONGER FOUNDATION



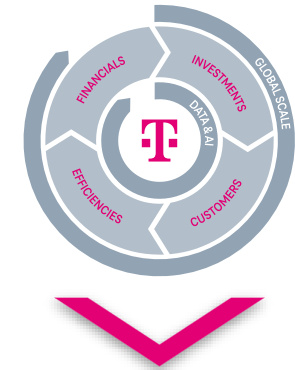
## SUPERIOR EXECUTION



## 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

# Leveraging Fiber to create long-term profitability

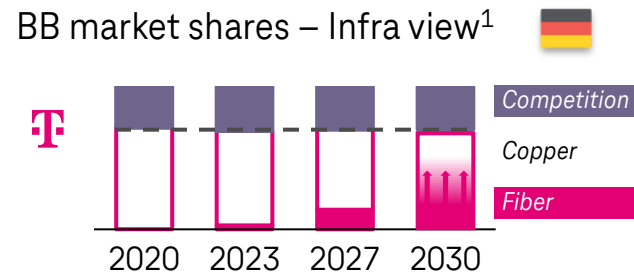


## Capturing Fiber opportunity ...

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

... with ownership economics & high utilization

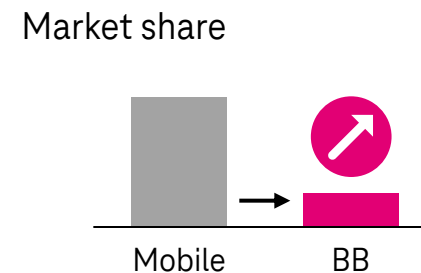
## INFRA LEADERSHIP IN INCUMBENT MARKETS



Stable or greater market share

- Copper to fiber migration
- Prepare copper de-commissioning





## SMART INVESTMENTS IN NEW MARKETS



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

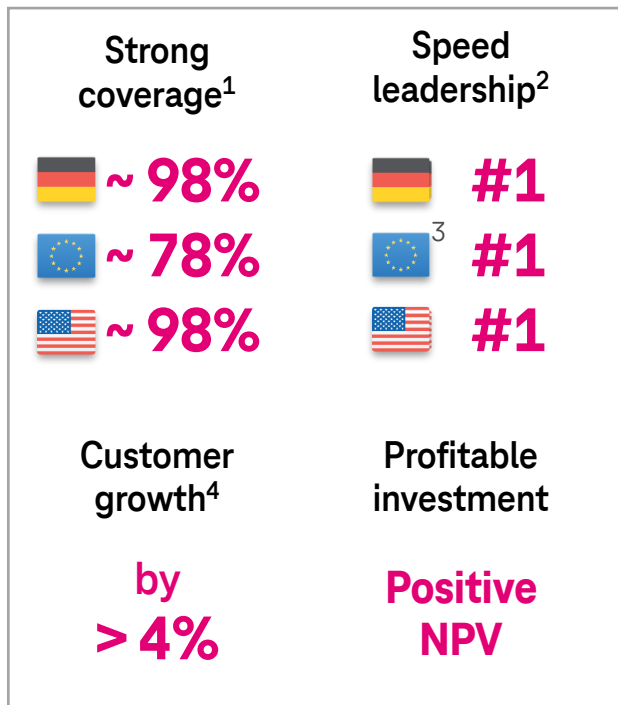
- Total homes passed
  - ≥ 12–15 mn 

<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

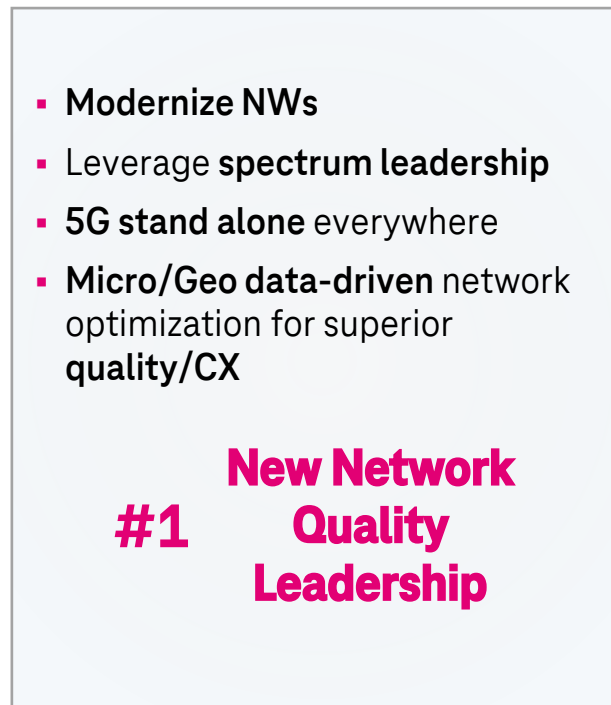
# 5G: We made it a winning strategy



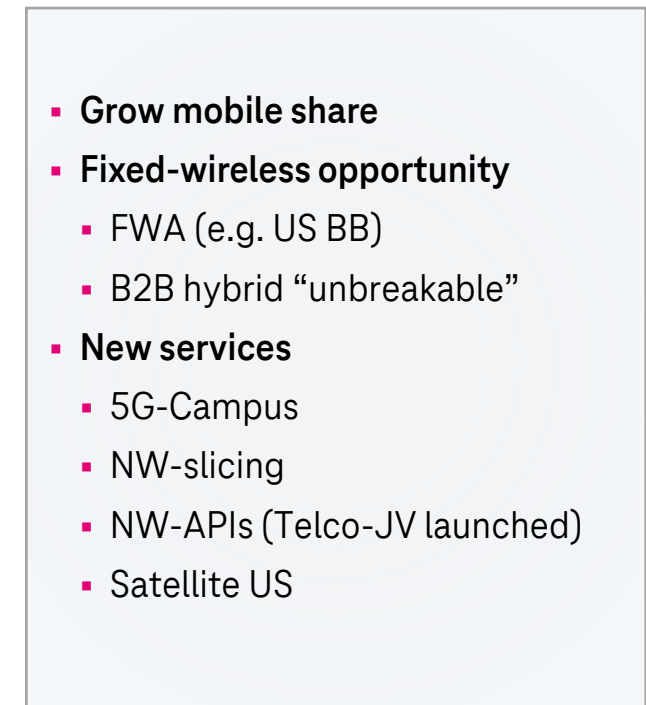
## MARKET LEADING IN 5G TODAY



## CUSTOMER DRIVEN NETWORK EXPERIENCE ...



## ... BRINGING MONETIZATION TO THE NEXT LEVEL



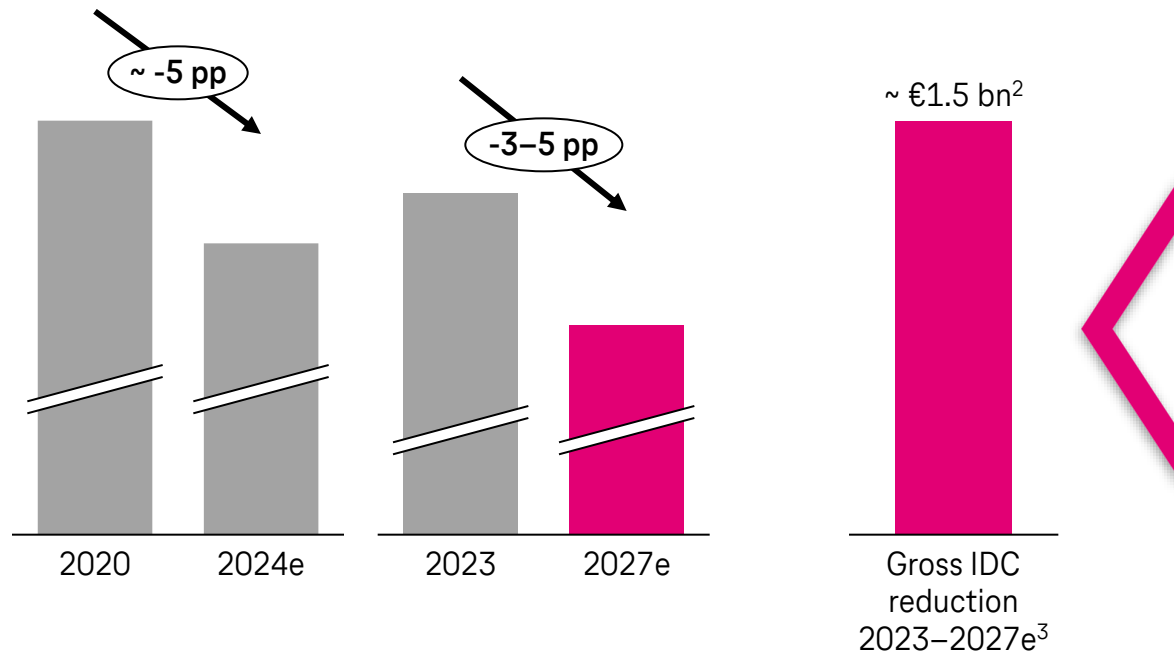
<sup>1</sup> 2024e excl. RO; <sup>2</sup> According to opensignal.com 5G download speed, Aug 16<sup>th</sup>, 2024 & OOKLA; <sup>3</sup> Average 6 out of 10 NatCos, CZ, CR, GR, HU, MKD, PL; <sup>4</sup> CAGR 2020–2023, adjusted for disposal of FMC SIMs in RO







# 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

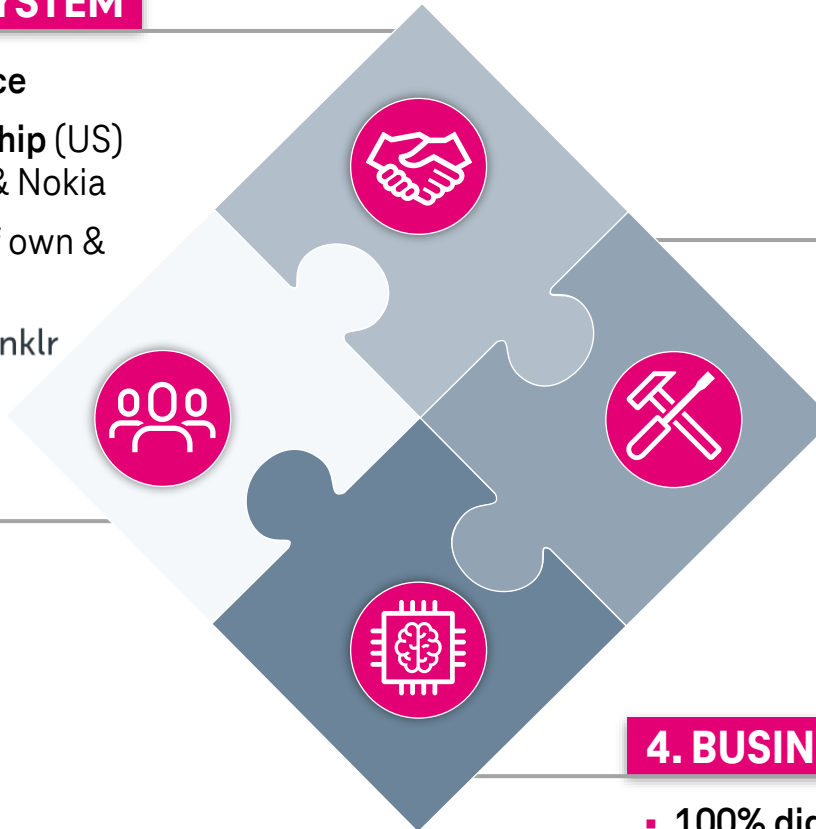
- **AI Competence Center**
- **AI Factory T-Systems**
- **Nearshore CoE in HU**
- **AI Shared Services** by DTSE
- Customer facing Detecon & **MMS AI Consulting**

## 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

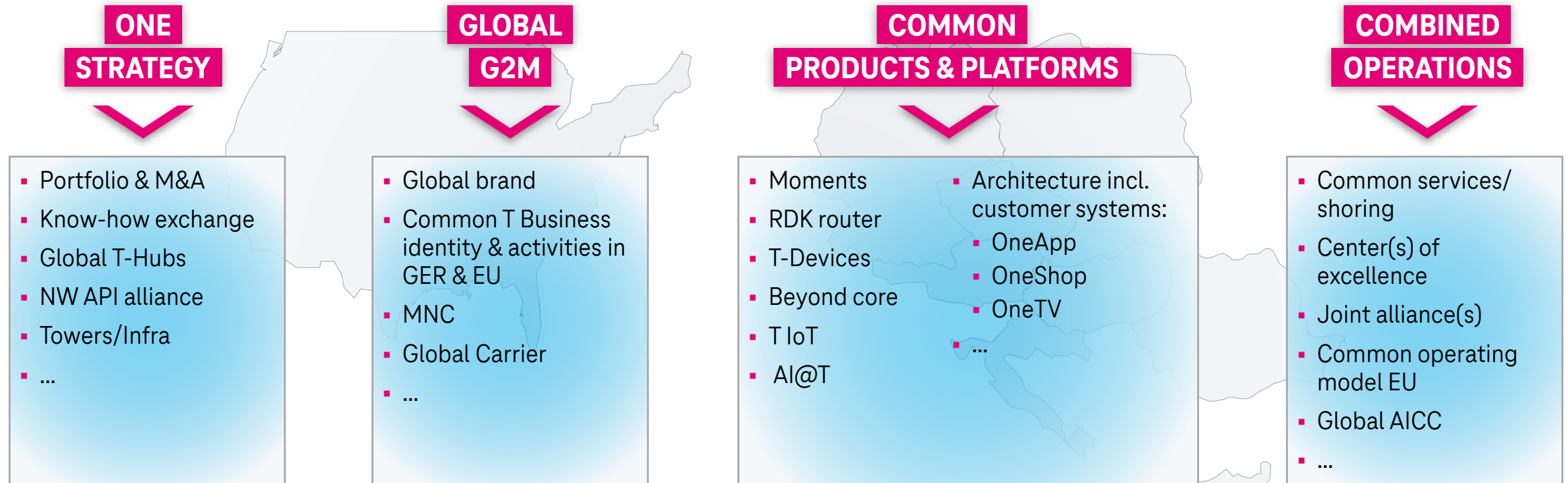
- **100% digital customer channels** leveraging AI@T
- **Full end-to-end integration** via API's



<sup>1</sup> Per month



# Accelerate global scale leveraging our unique footprint



 Unique balance between global scale & local entrepreneurship

# 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

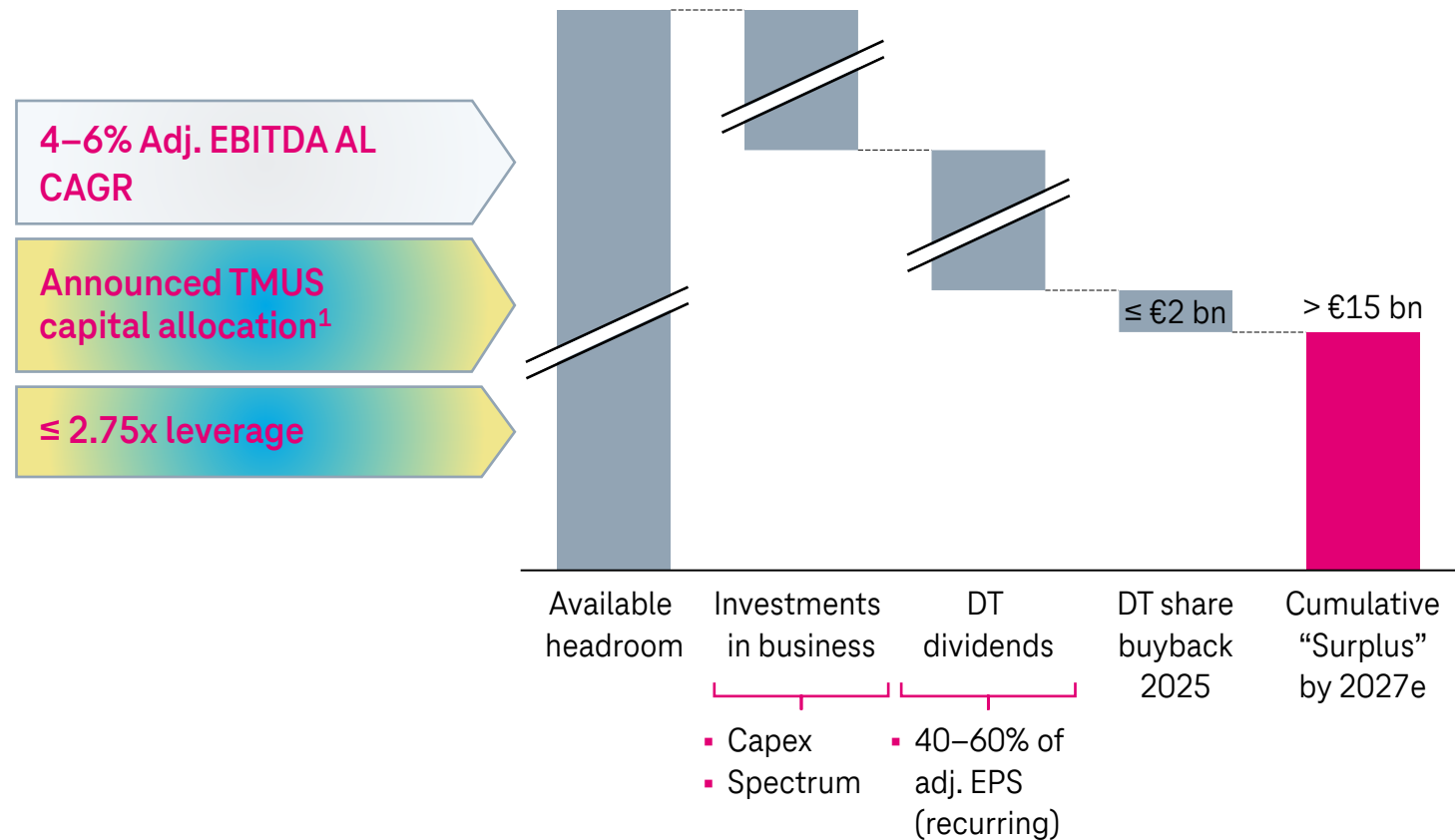


GROUP LEVEL KPI	AMBITION 2023–2027E		KPI DRIVERS
Service revenues	~ 4%	CAGR	Business growth
Adj. EBITDA AL	4–6%	CAGR	Operational leverage
Adj. EPS	> 11% <sup>1</sup>	CAGR	Growth & capital allocation
Cash Capex/Service revenues <sup>2</sup>	~ 21%	in 2027e	Invested for growth
FCF AL	~ €21 bn <sup>3</sup>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

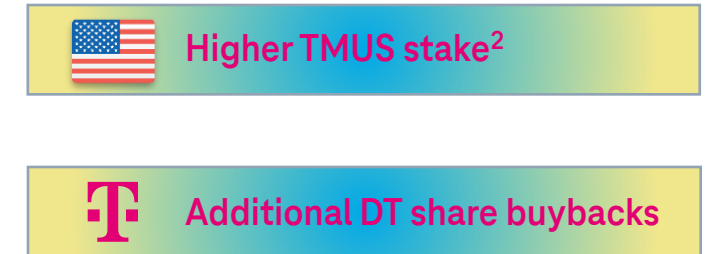
<sup>1</sup> Absolute adj. EPS ~ €2.5 in 2027e; <sup>2</sup> DT ex US; <sup>3</sup> Based on €1 = \$1.08

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

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



## Uses for “Surplus”



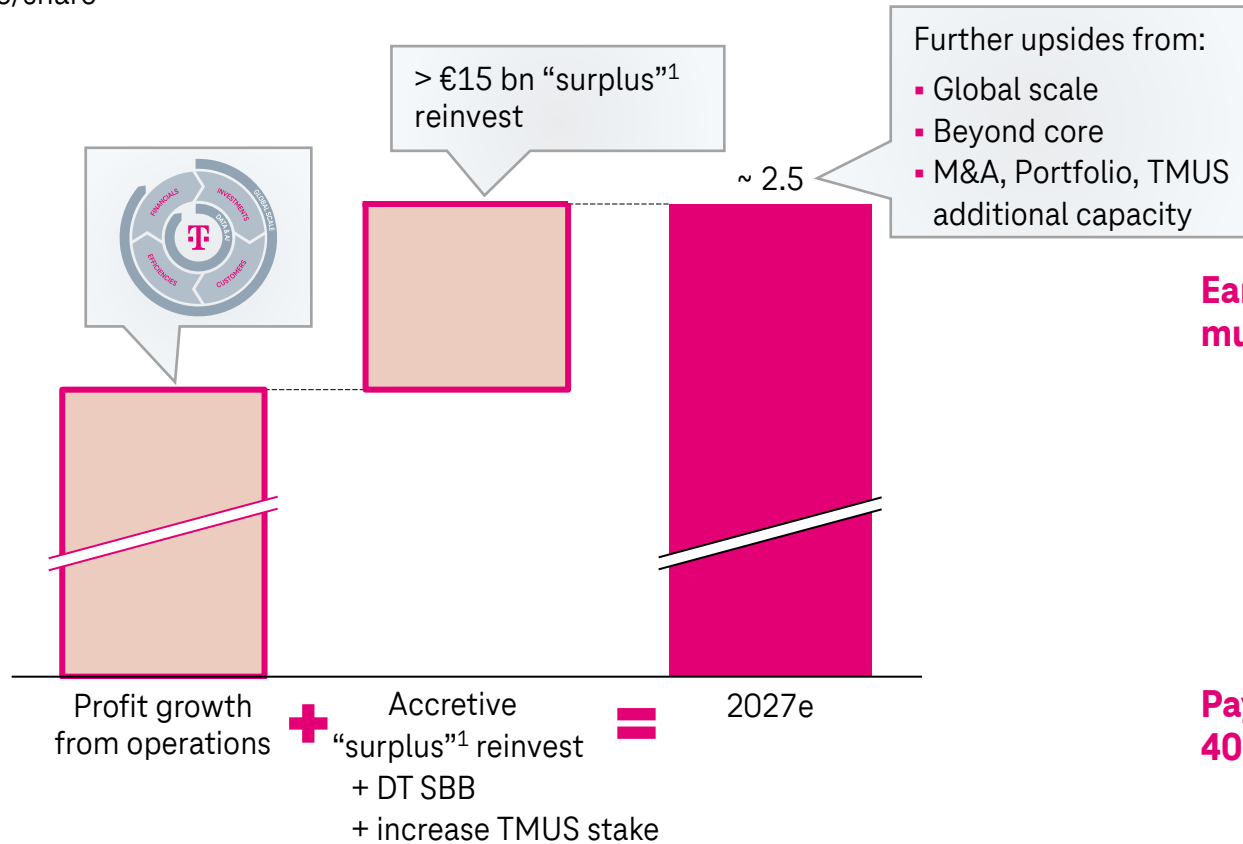
- Both uses of surplus are accretive to DT’s adj. EPS
- Maintaining strategic flexibility

<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



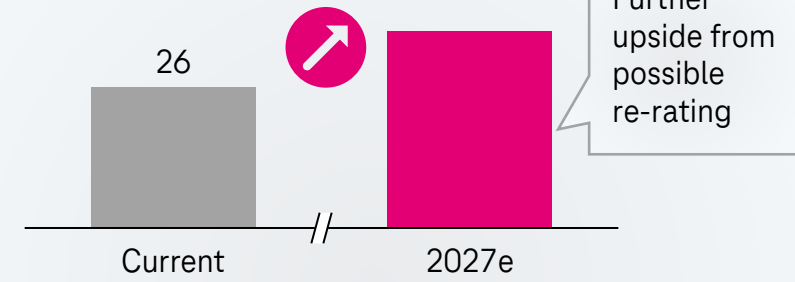
Earnings multiple

Payout ratio 40-60%

## TOTAL SHAREHOLDER RETURN

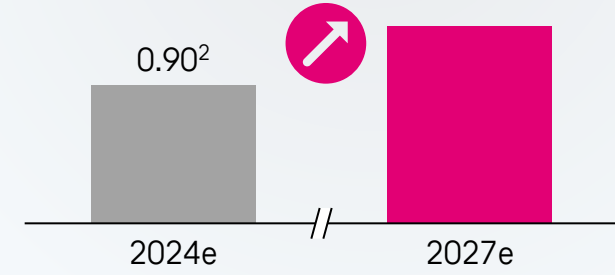
### Share price

€/share



### Dividend

€/share



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

# 2024 results

## Group

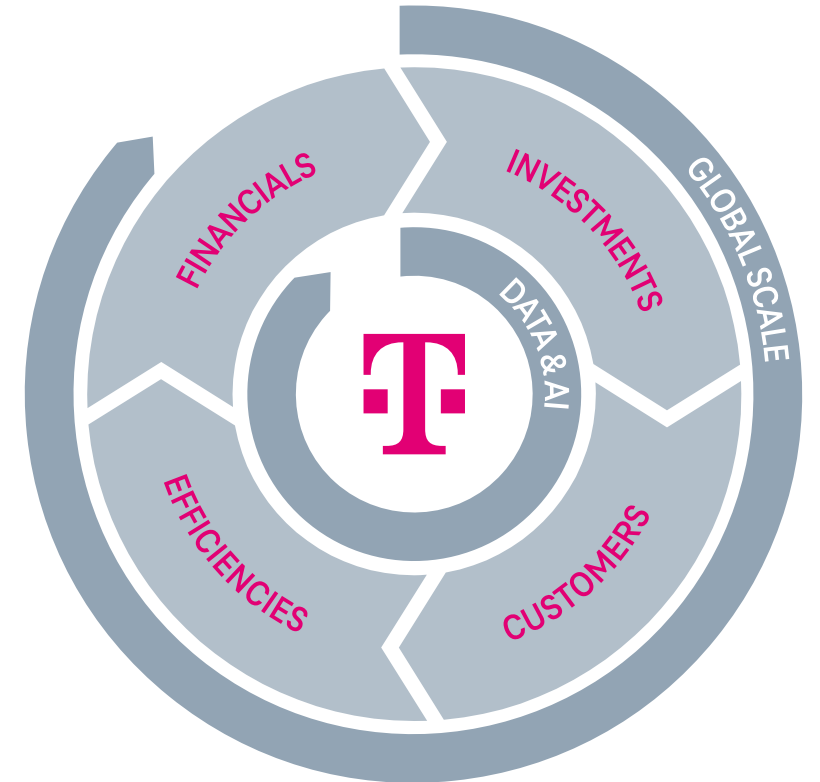


# FY/24

## consistent reliable growth

### FY/2024 Highlights<

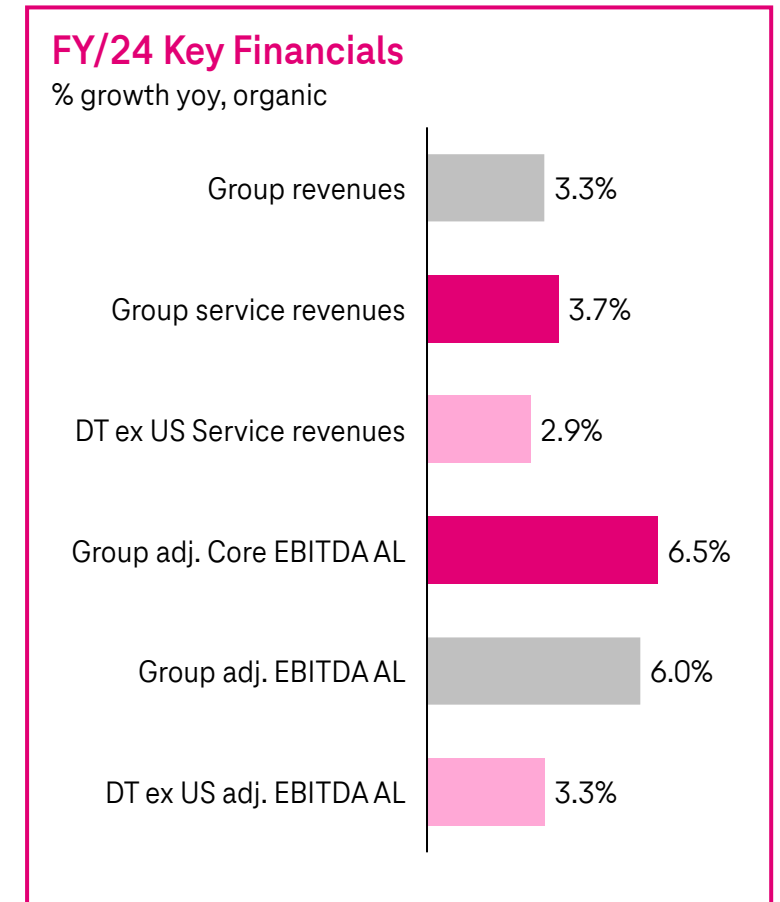
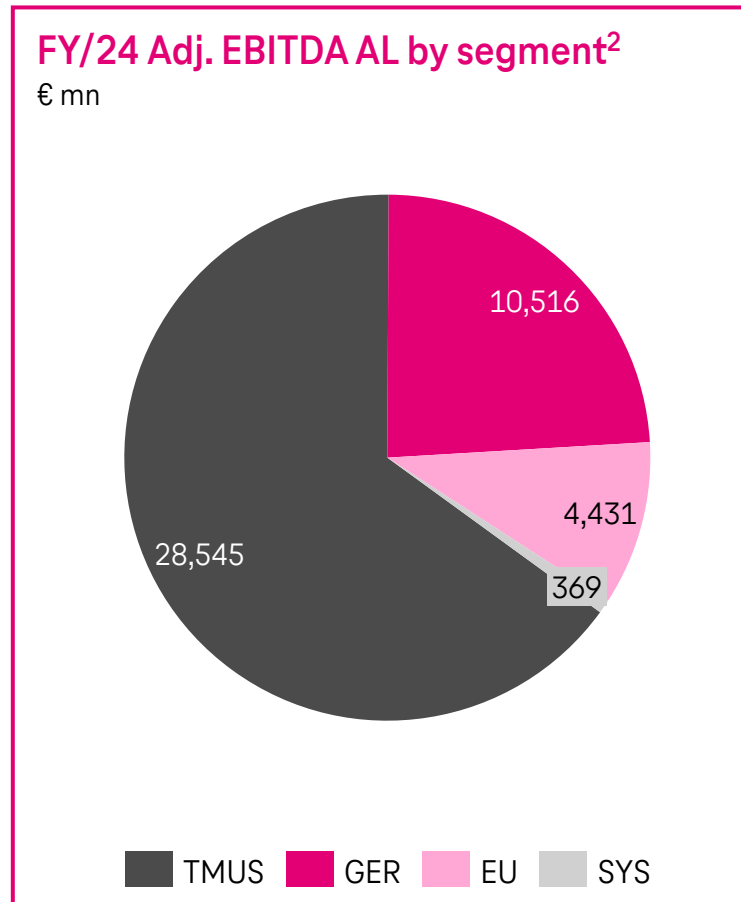
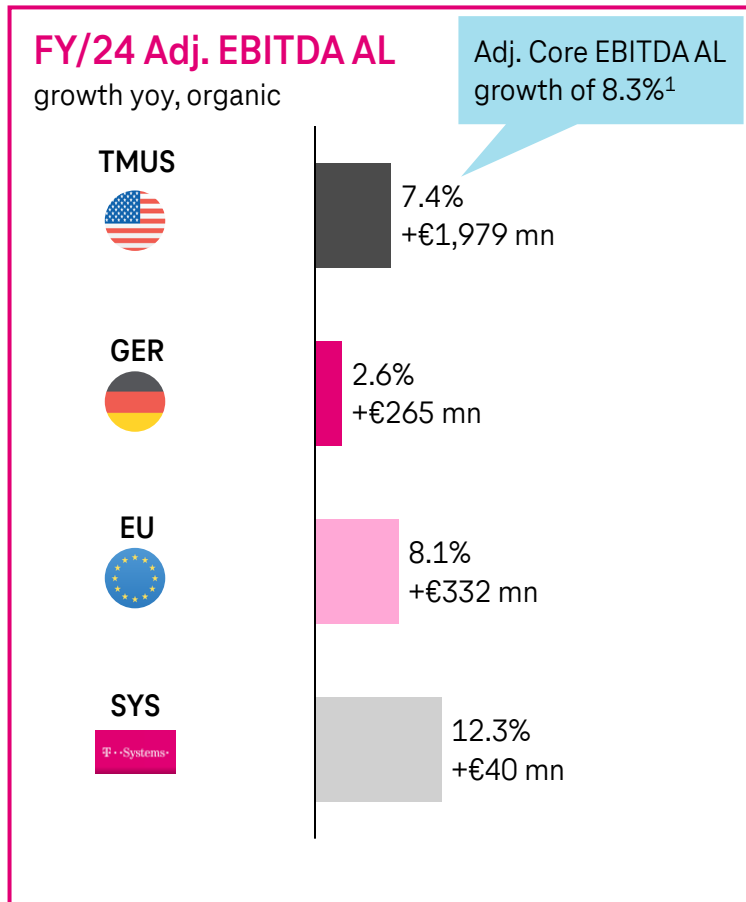
- Market leading customer and financial growth continues: FY organic service revenues +3.7%, adj. EBITDA AL +6.0%, FCF AL +18.7%<sup>1</sup>, adj. EPS +19.3%<sup>1</sup>.
- Good progress with key CMD ambitions (fiber, mobile technology leadership, customer experience , AI)
- FY24 guidance achieved on both sides of the Atlantic.
- 2025 guidance confirms growth ambition outlined at the CMD: adj. EBITDA AL +4.5%, FCF AL ~€19.9 bn, adj. recurring EPS ~€2.00.
- Further investments into the business announced: acquisitions of Metronet, Lumos, UScellular, and Vistar.
- Stake in TMUS increased to 51.5% (as of 24<sup>th</sup> of Jan 2025).
- CEO prolonged until 2028. CEO Germany to become COO of TMUS.
- Delivering for shareholders: €90c dividend<sup>2</sup> for 2024 plus €2 bn DT SBB. 2024 total shareholder return +38%.



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

# Financials FY/24 organic

## strong organic growth



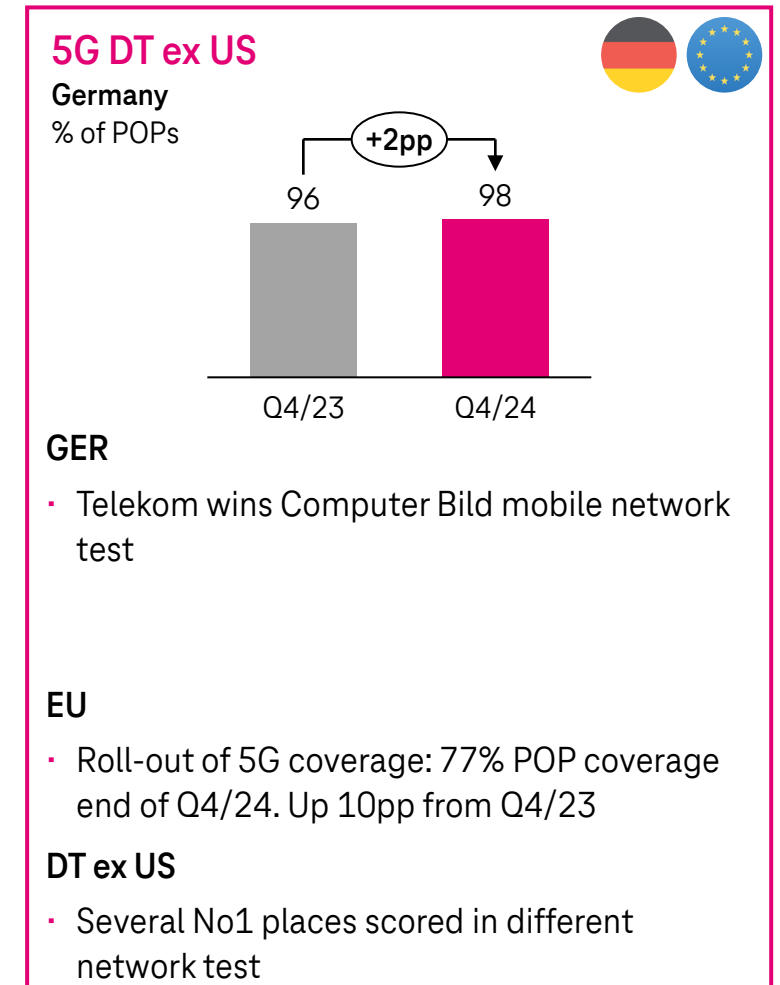
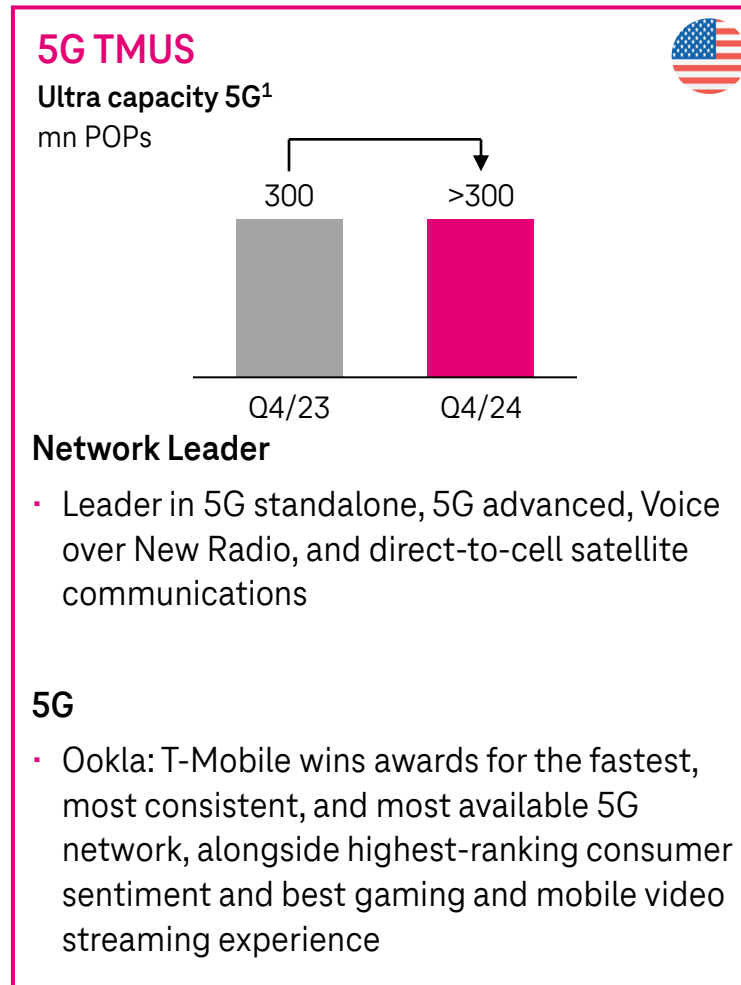
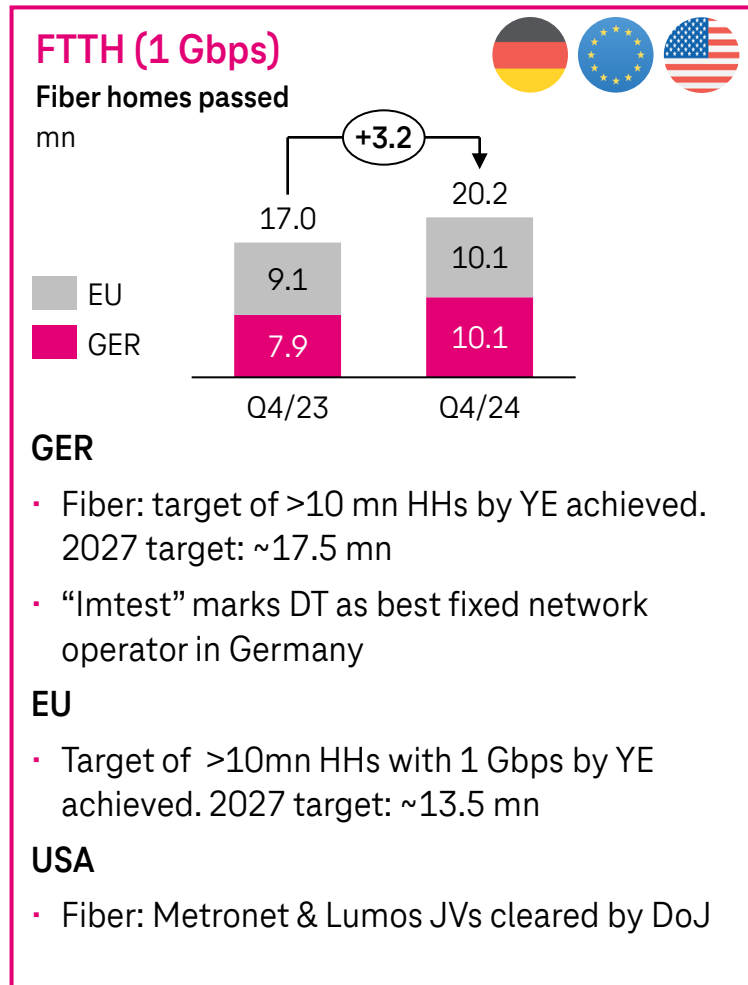
<sup>1</sup> According to IFRS. US GAAP growth is 9.1%. Adj. Core EBITDA excludes decreasing handset leasing revenues (US\$ -0.219 bn yoy). <sup>2</sup> Excl. GHS & GD (-833 mn €). Group EBITDA AL €43,021 mn.

In this presentation the Group in FY/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

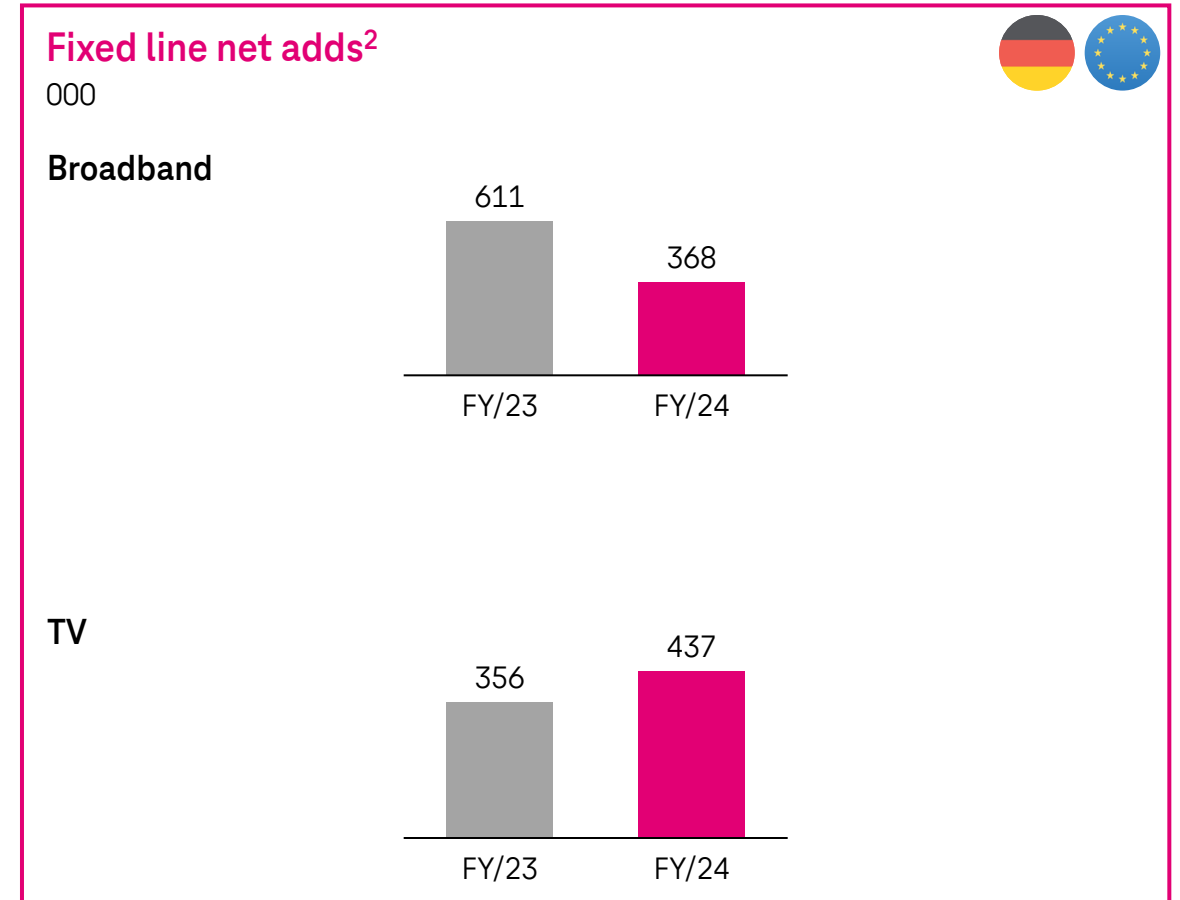
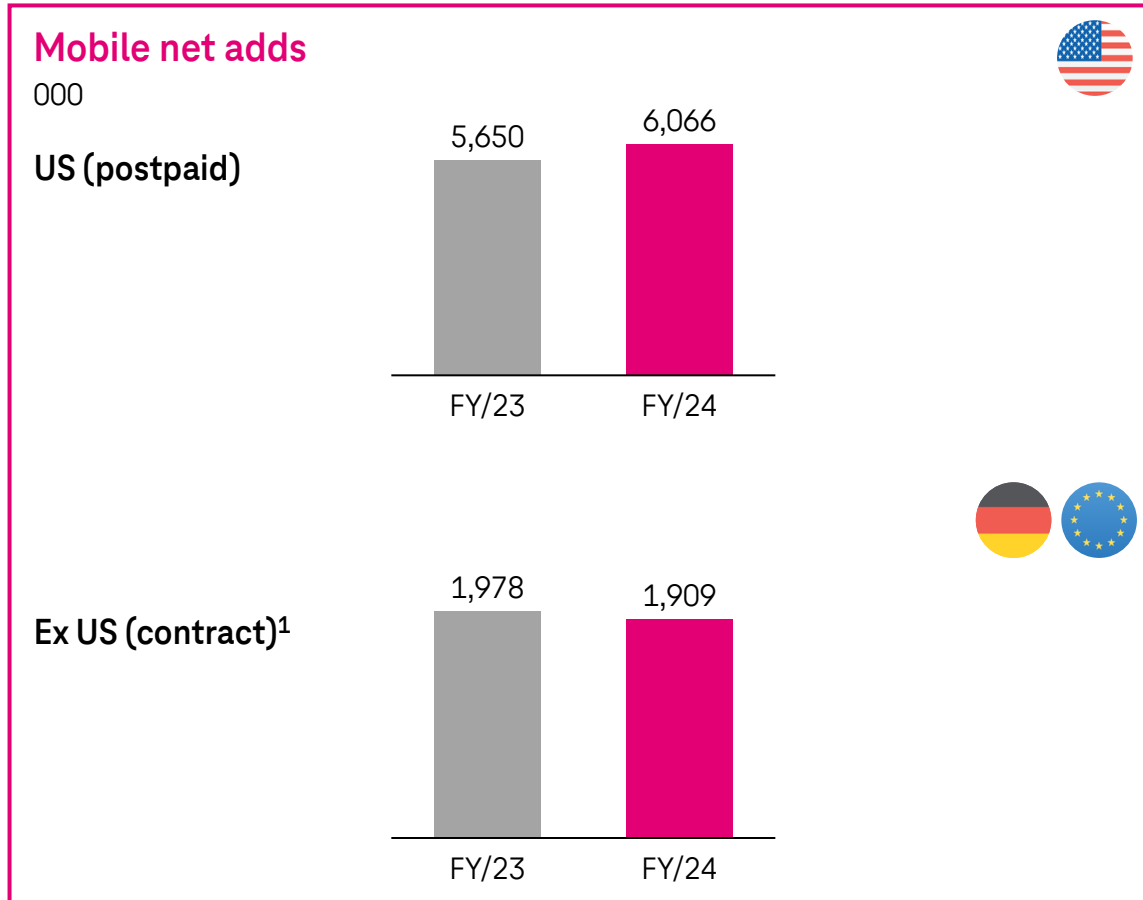
leading with 5G, >20 mn European homes passed with FTTH



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

# Customers

growing strongly, broadband slower



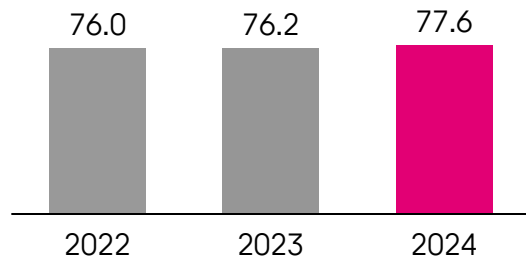
<sup>1</sup> GER + EU. GER: own brand only. <sup>2</sup> GER + EU

# Society and Environment

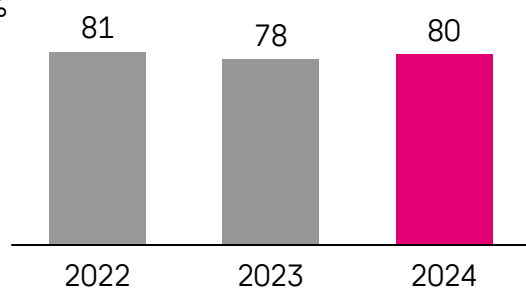
## making progress with ESG

### Societal agenda

Customer satisfaction<sup>1</sup>  
Tri\*M



Employee satisfaction<sup>1,2</sup>  
%



### Environment

- Climate targets are well on track
- Launch of Green AI Principles
- New Circularity blueprint
- For 9th time in a row A ranked in CDP

### Society

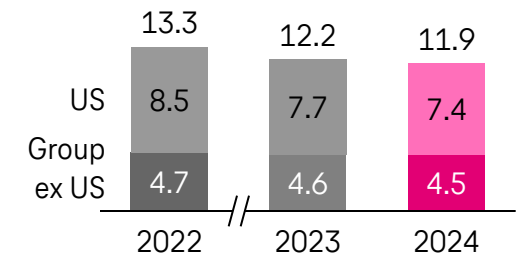
- Community contribution digital society: EUR1.1 bn
- Beneficiaries digital society: 34 mn
- >6.3 mn students connected as part of TMUS' education initiatives
- Share of Digital Experts now increased to 22.7%

### Governance

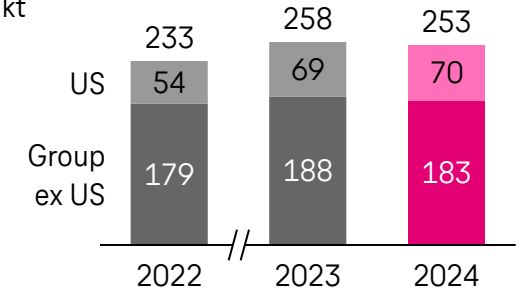
- S&P Global ESG – again best European telco
- Sustainability Campus für DT
- First Annual Report in line with CSRD requirements

### Environmental agenda

Energy consumption  
mn MWh



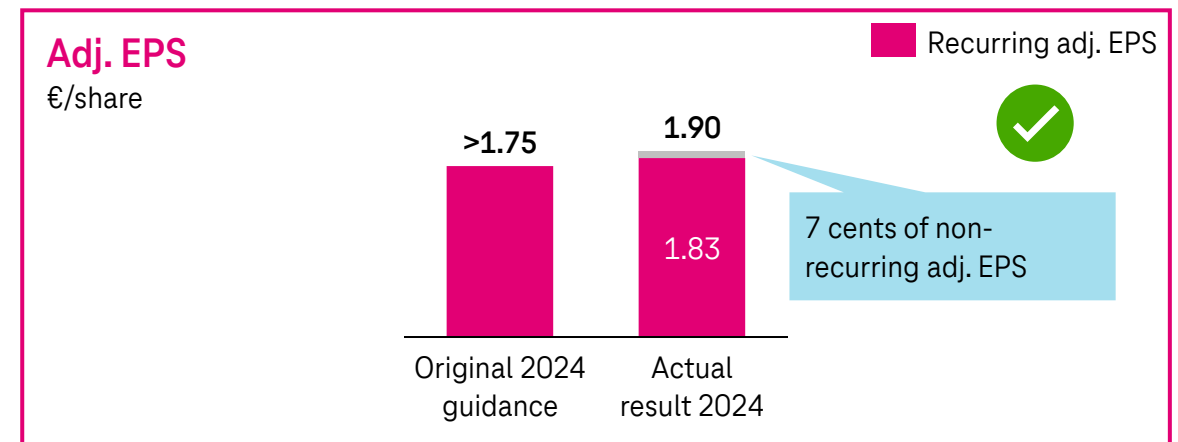
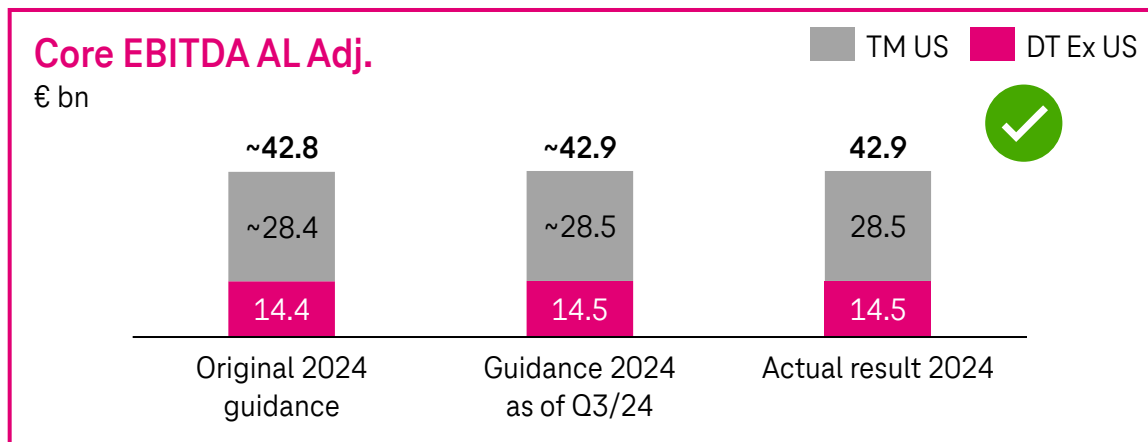
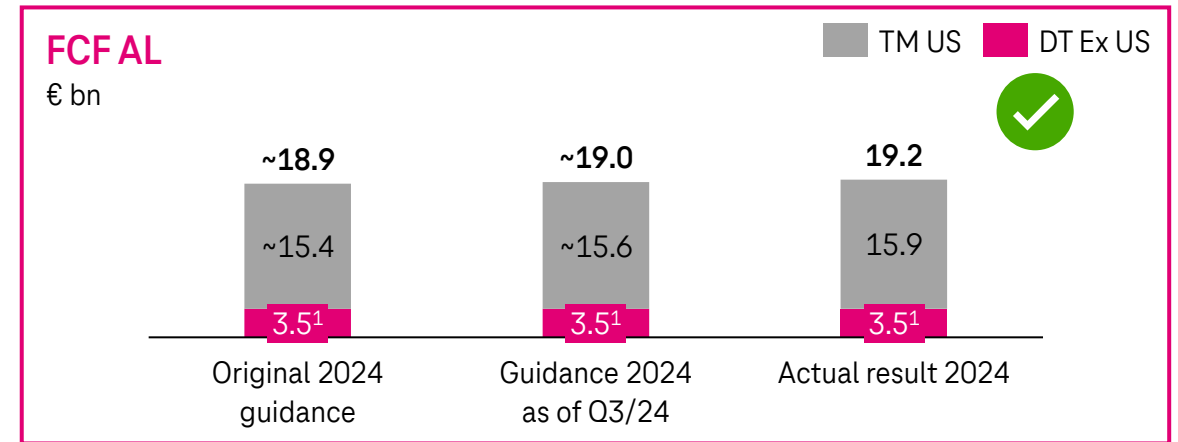
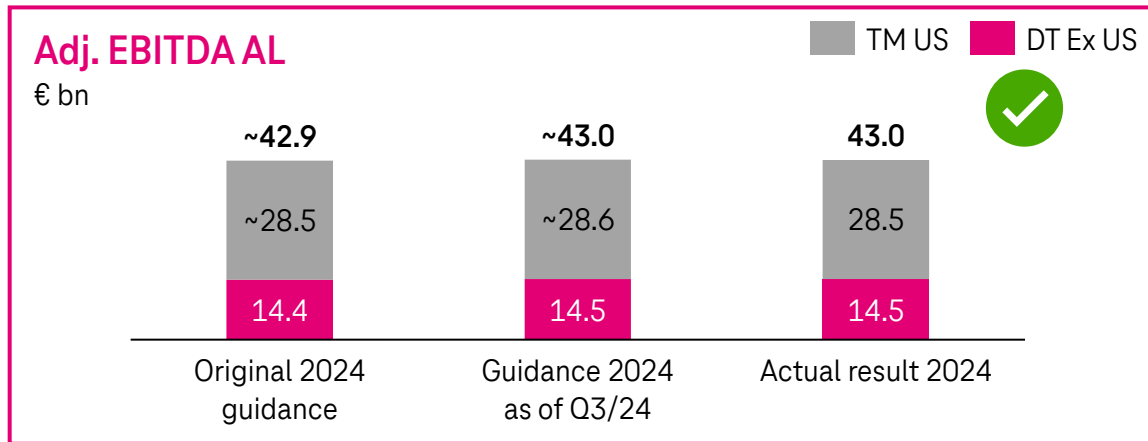
CO<sub>2</sub>e emissions (scope 1+2)<sup>3</sup>  
kt



<sup>1</sup> DT ex US. <sup>2</sup> DT ex US. Positive answer on employee/pulse survey question: "How do you feel at our company" <sup>3</sup> since 2023 including fugitive emissions; DT Group values without fugitive emissions at 206 kt CO<sub>2</sub>e (2024) after 217 kt CO<sub>2</sub>e (2023)

# Guidance 2024

## raised guidance delivered



<sup>1</sup> 2024 ex US FCF AL includes 0.2 bn of FCF related to tower transaction. Excludes TM US dividend receipts.

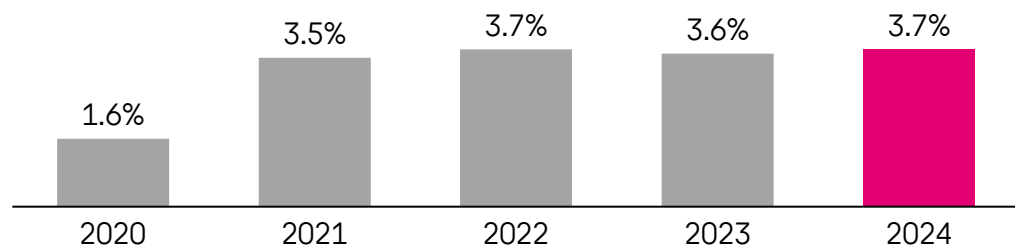


# DT Group

consistent financial growth over the last 5 years

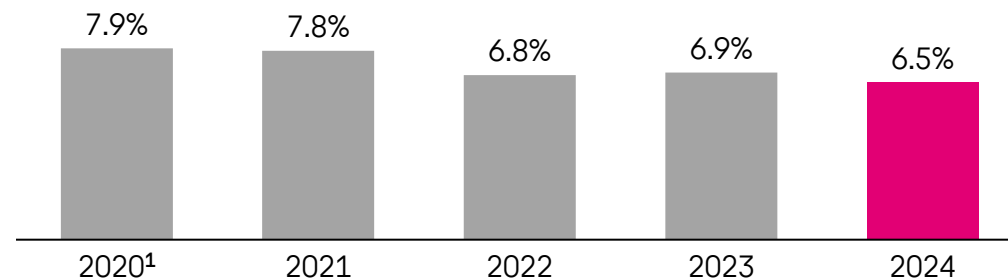
## Service revenue growth (organic)

in % yoy



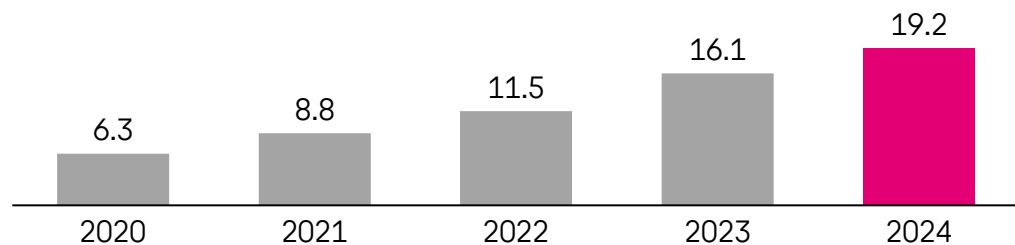
## Adj. Core EBITDA growth (organic)

in % yoy



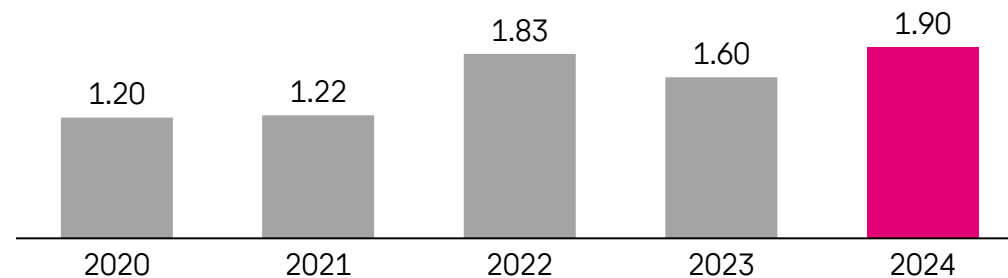
## FCF AL

€ bn



## Adj. EPS

€



2020: Adj. EBITDA AL

# Our agenda for 2025

building on the ambitions of the 2024 CMD

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**Deliver attractive returns**  
for shareholders

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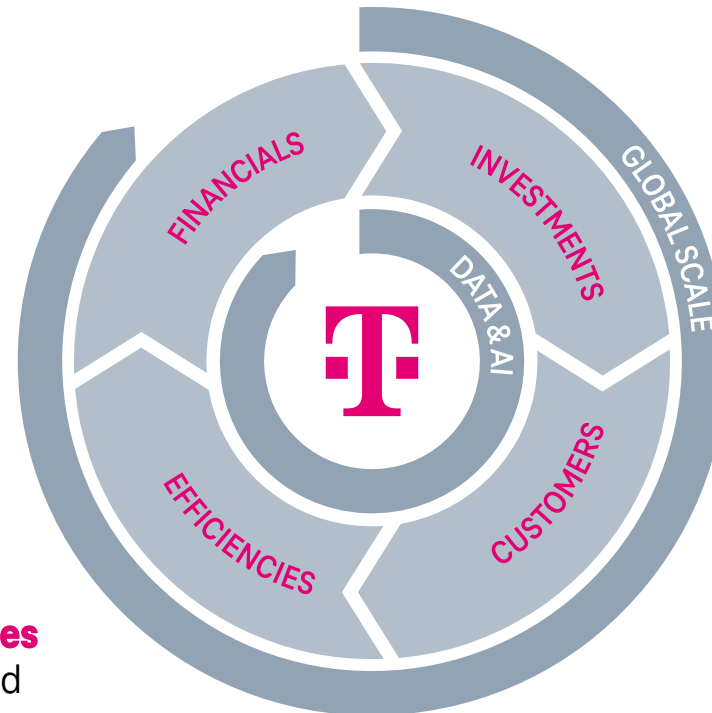
**Step up leverage**  
of group's **unique scale advantages**

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**Aggressively seize A.I. opportunities**  
for greater efficiency and enhanced  
customer experience

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**Evolve leadership team**  
while ensuring continuity

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Deliver on fiber build while  
**stepping up monetization**

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**Extend and monetize 5G**  
network lead in all markets

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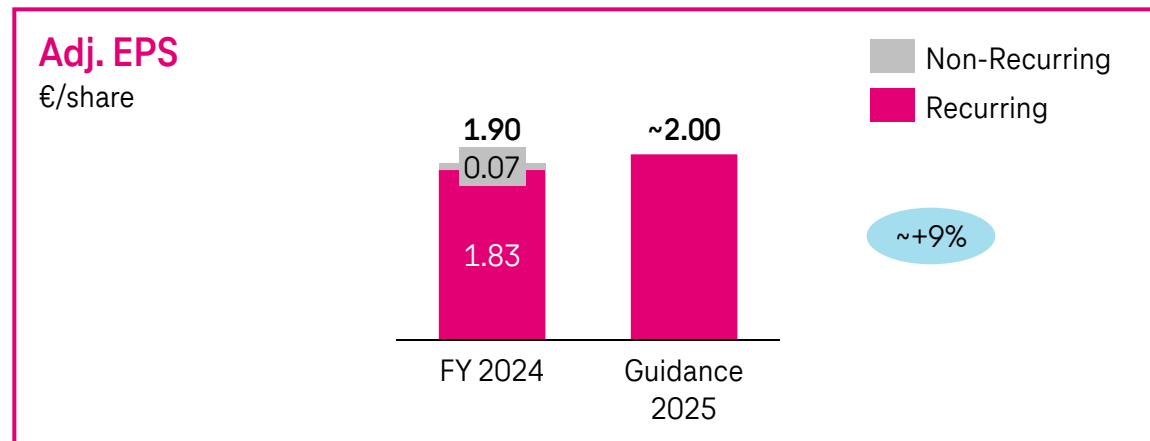
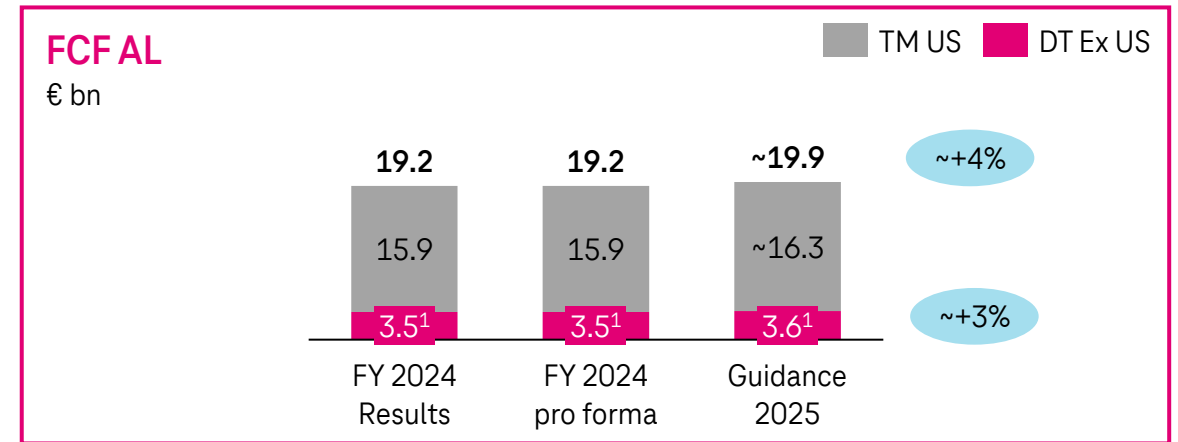
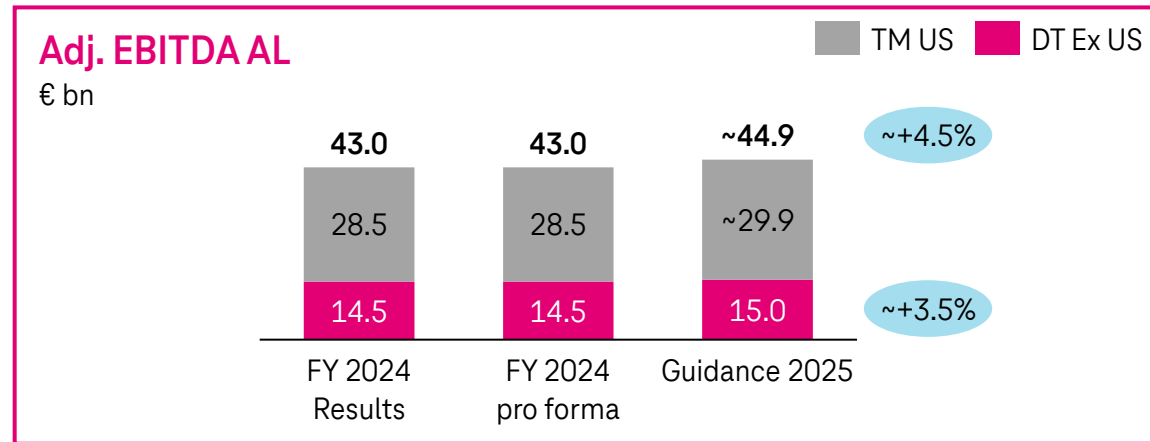
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Build on momentum towards  
**leading B2B powerhouse**

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# Guidance 2025

## on track for CMD financial targets



### F/X

- Guidance is based on 1.08 f/x rate vs. US\$

### EBITDA AL

- Guidance includes around US\$ -1.0 bn bridge between TMUS's USGAAP and IFRS results (2024: US\$ -1.0 bn)

### TMUS

- 2025 TM US guidance is based on midpoint of US GAAP guidance of US\$33.1 – 33.6 bn Core adj. EBITDA; and of US\$17.3 – 18.0 bn FCF

<sup>1</sup>DT ex US FCF AL included 0.2 bn of cash returns related to the tower transaction in 2024. 2025 assumes 0.1 bn of cash returns related to the tower transaction and continues to exclude any received TMUS dividends.

# **Q4 2024 results**

Review of segments and  
financials

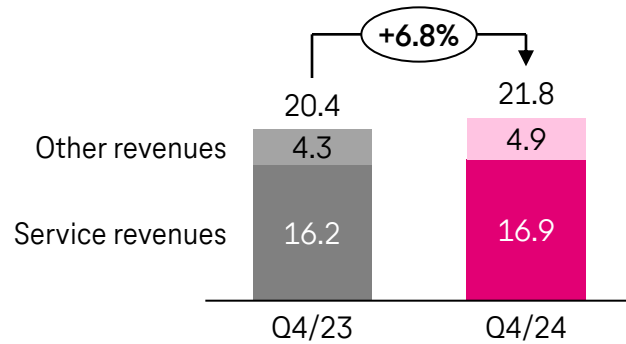
# T-Mobile US

## industry leading financial growth



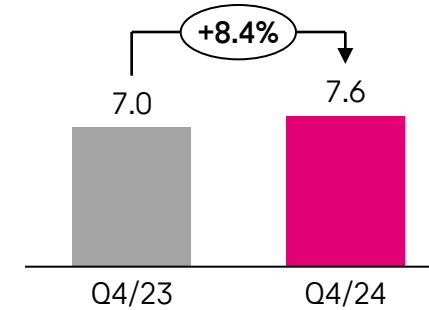
### Revenues (IFRS)

US\$ bn



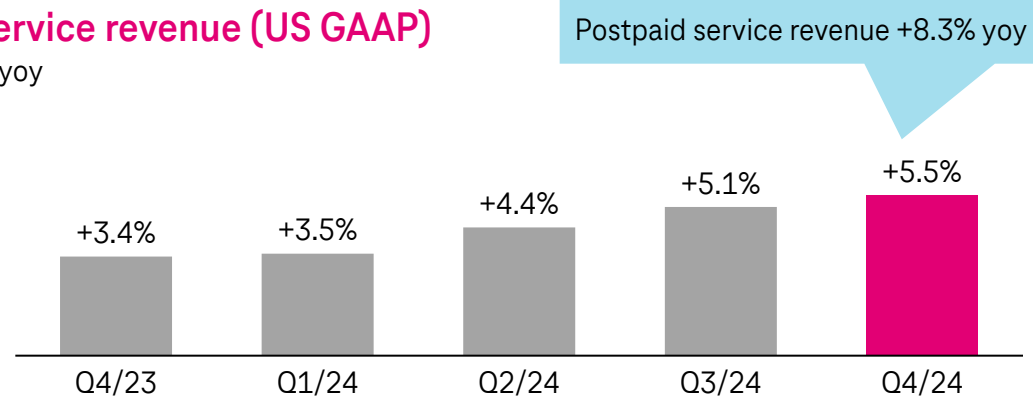
### Adj. EBITDA AL (IFRS)<sup>1</sup>

US\$ bn



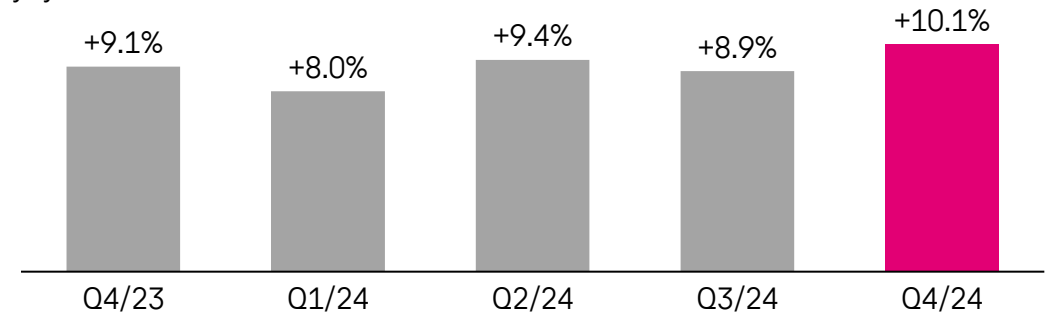
### Service revenue (US GAAP)

% yoy



### Core adj. EBITDA (US GAAP)

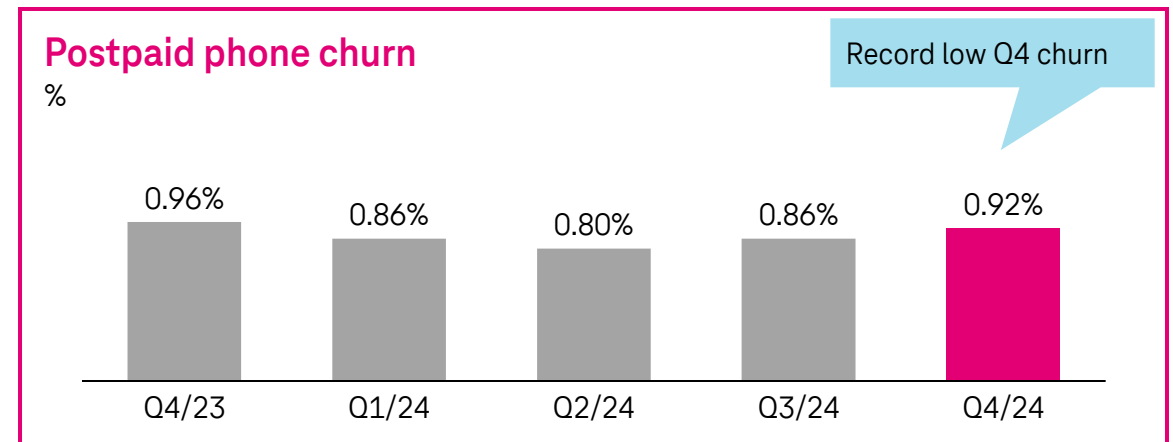
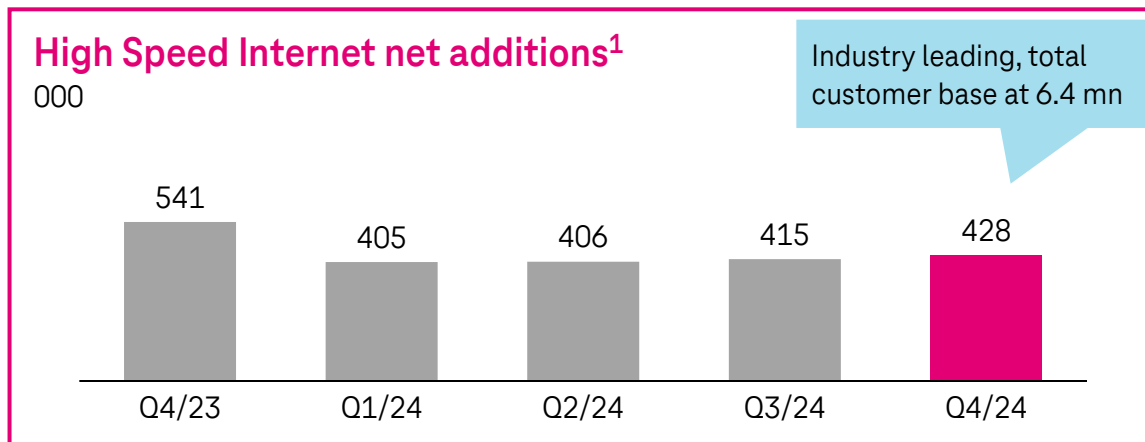
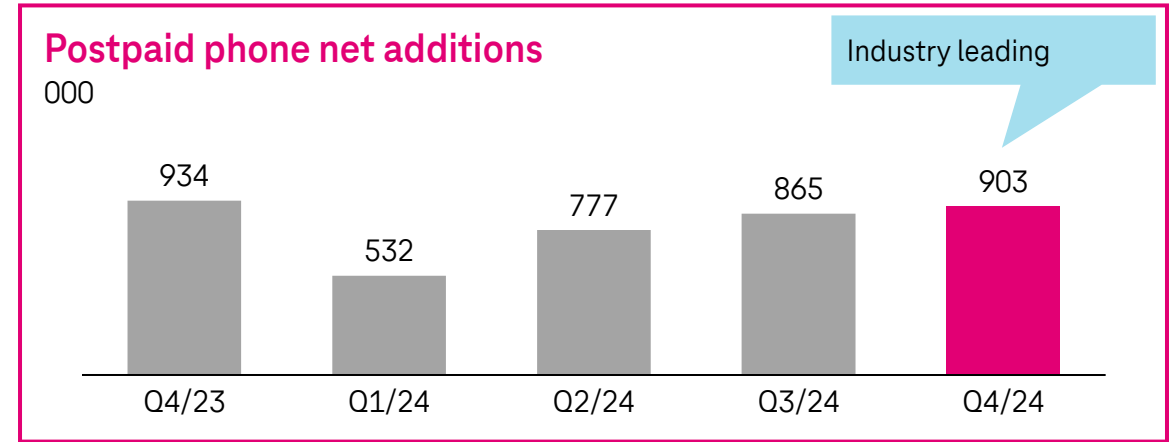
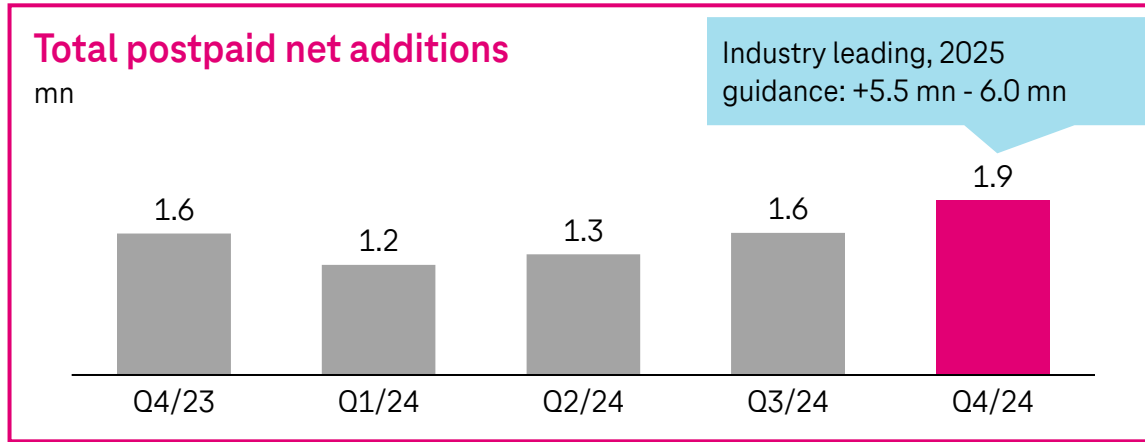
% yoy



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

# T-Mobile US

## industry leading customer growth



<sup>1</sup> Postpaid + Prepaid



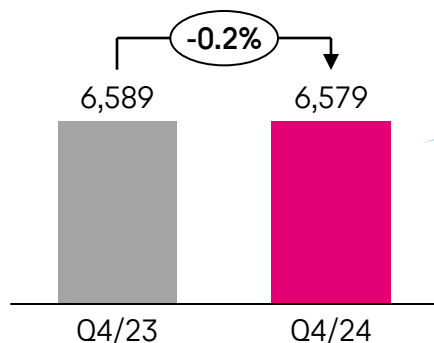
# Germany

## 33<sup>rd</sup> consecutive quarter of EBITDA growth



### Revenues (reported)

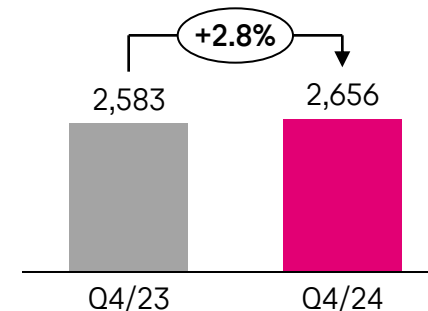
€ mn



Impacted by lower handset revenues; TSR +0.9%

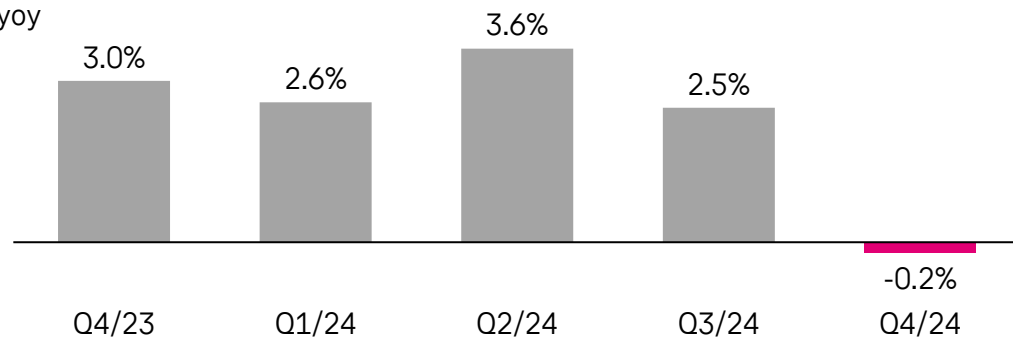
### Adj. EBITDA AL (reported)

€ mn



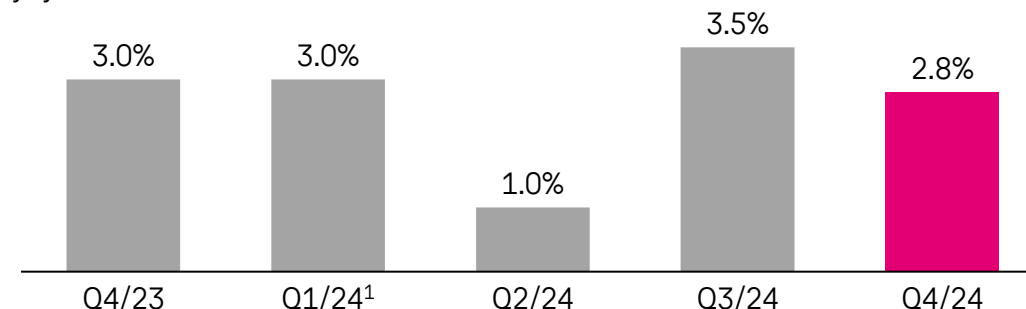
### Revenue growth (organic)

% yoy



### Adj. EBITDA AL growth (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.

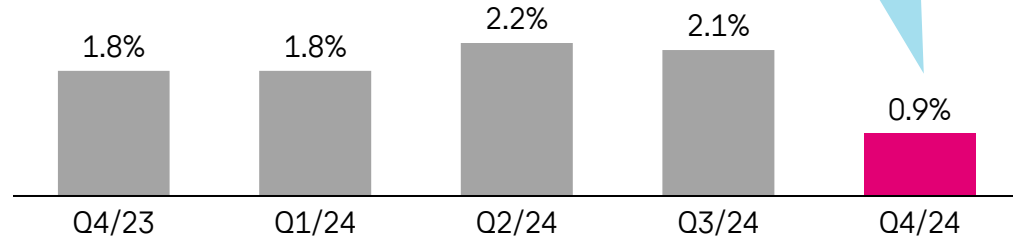
# Germany

## total service revenues impacted by phasing



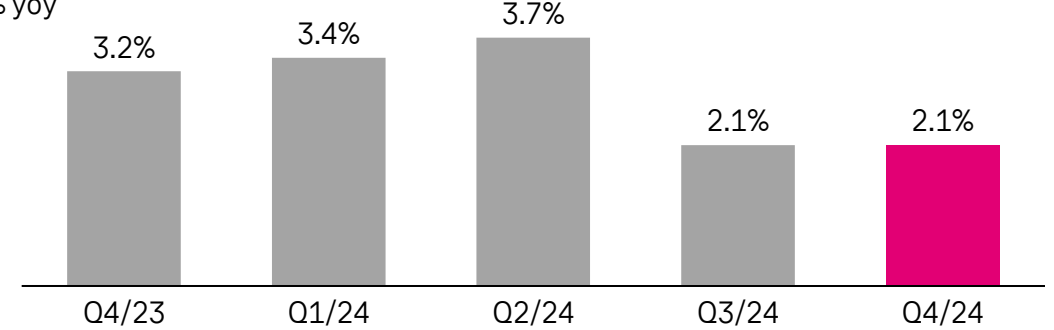
### Total service revenue growth (organic)

% yoy



### Mobile service revenue growth (organic)

% yoy



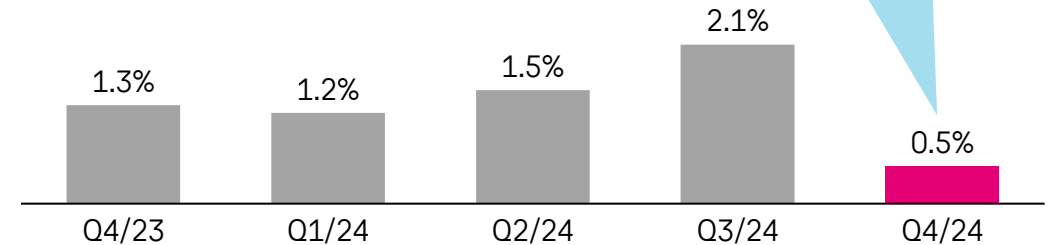
### Revenue growth (reported)

% yoy

- Reported total service revenue growth +0.9%
- Reported fixed service revenue growth +0.5%
- Reported mobile service revenue growth +2.1%

### Fixed service revenue growth (organic)

% yoy



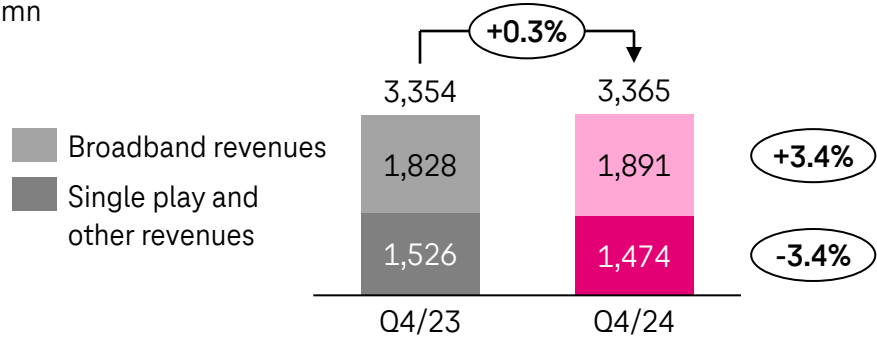
# Germany

fixed revenues: steady growth in broadband and wholesale access



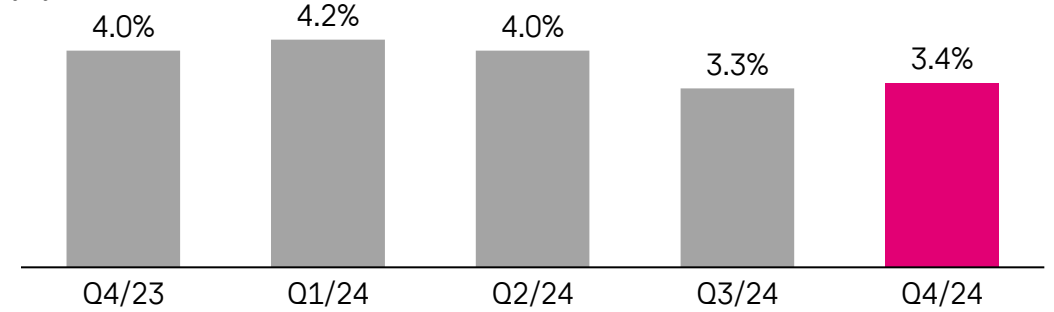
## Retail fixed revenues (reported)

€ mn



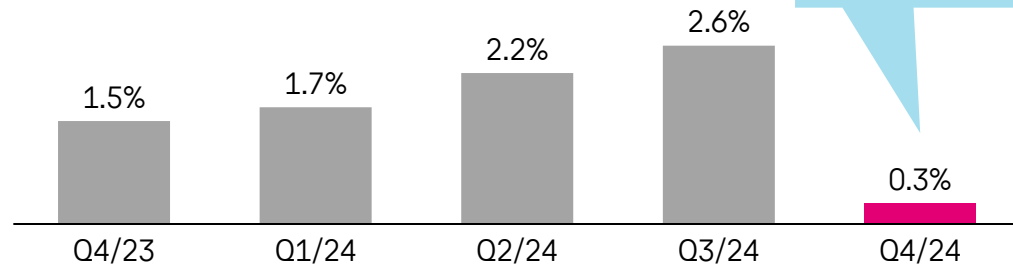
## Broadband revenue growth (organic)

% yoy



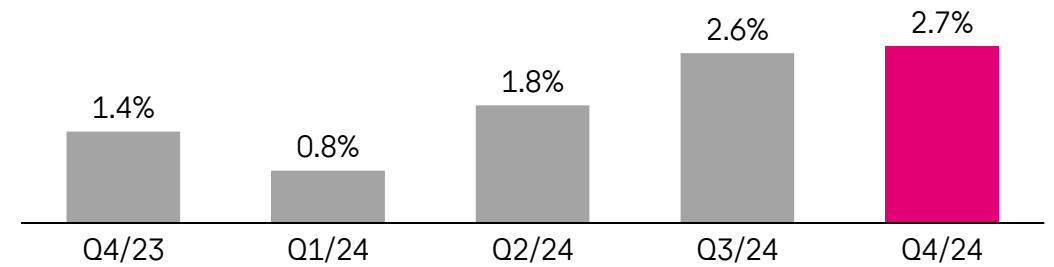
## Retail fixed revenue growth (organic)

% yoy



## Wholesale access revenues (organic)

% yoy



# Germany

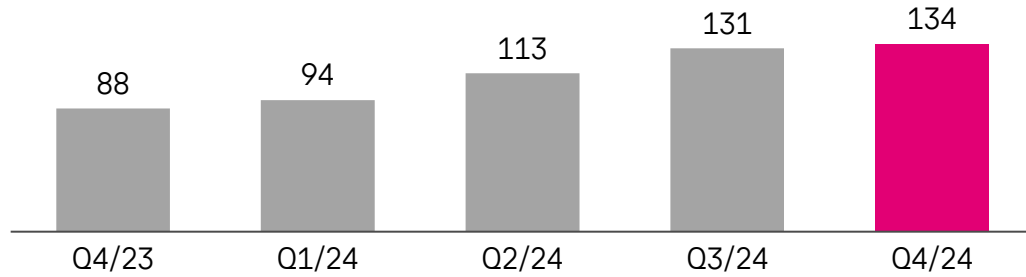
## fixed KPIs: successful upselling continues



### FTTH net adds

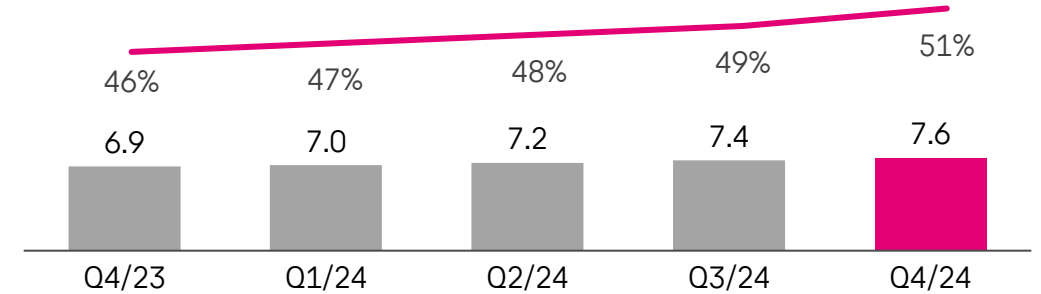
000

FY FTTH net adds  
+472k, up 61%



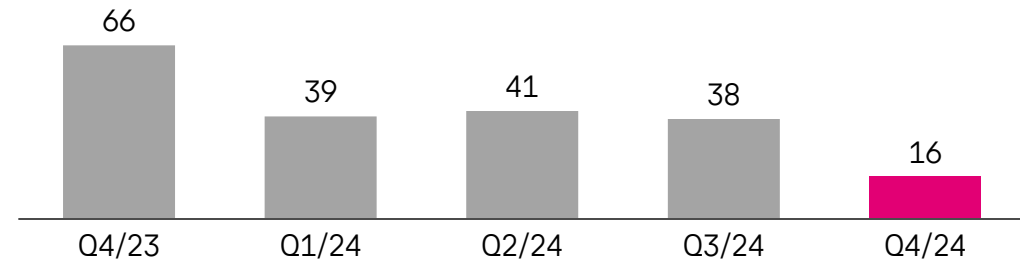
### Retail customers with $\geq 100$ Mbit/s tariff

mn/% of customer base



### Broadband net adds

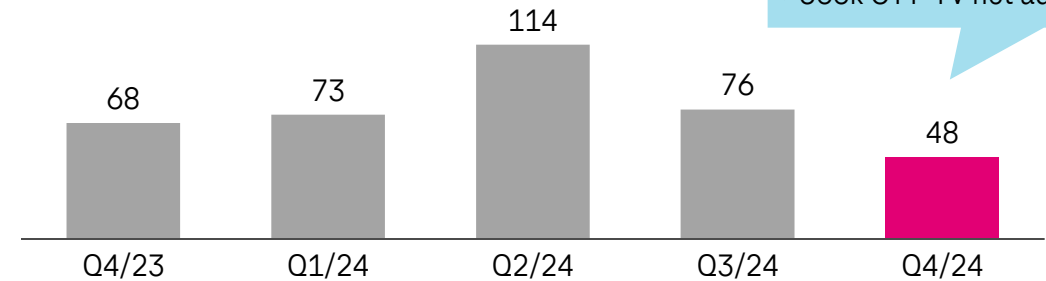
000



### TV net adds (ex OTT)

000

FY triple play net adds  
+311k; in addition,  
>300k OTT TV net adds



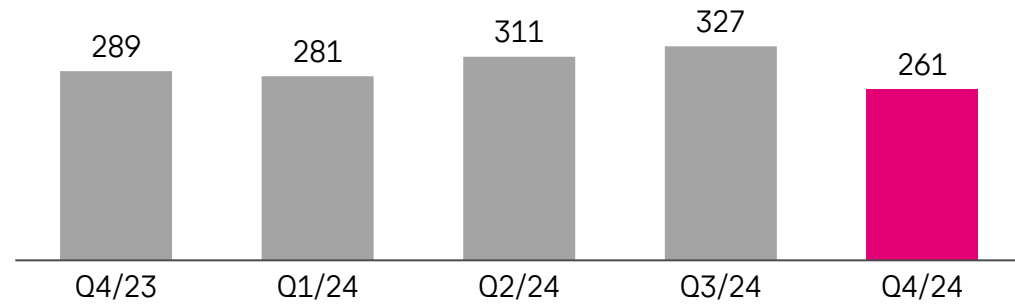
# Germany

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



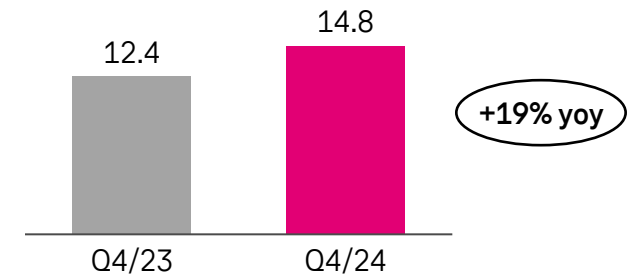
### Branded contract net adds<sup>1</sup>

000



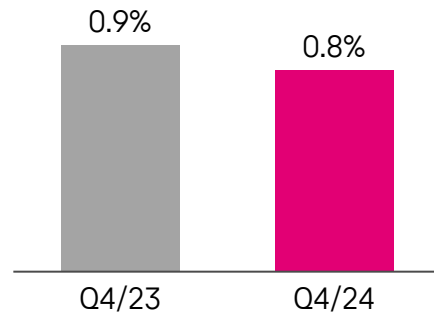
### Data usage<sup>2</sup>

GB per month



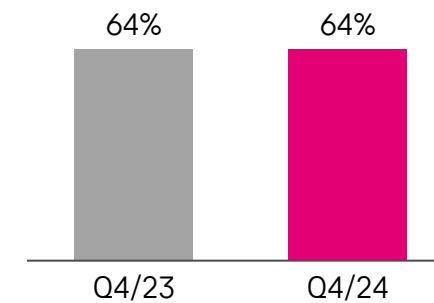
### Churn<sup>2</sup>

%



### Magenta EINS share (mobile)<sup>2</sup>

%



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

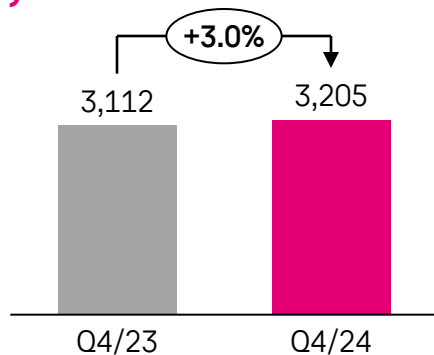
# Europe

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



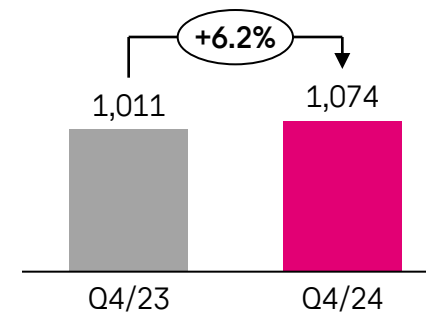
### Revenues (reported)

€ mn



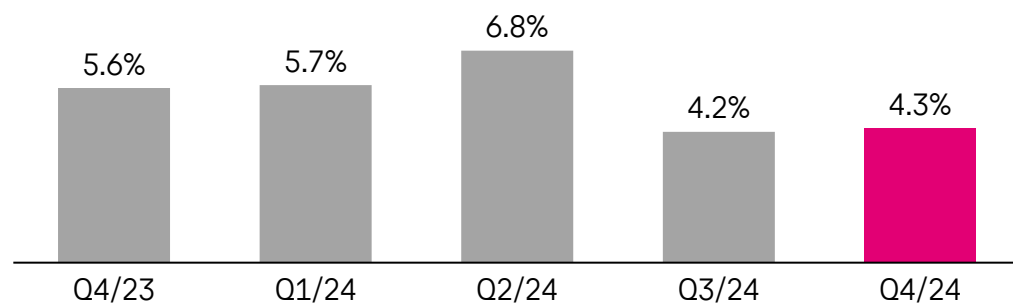
### Adj. EBITDA AL (reported)

€ mn



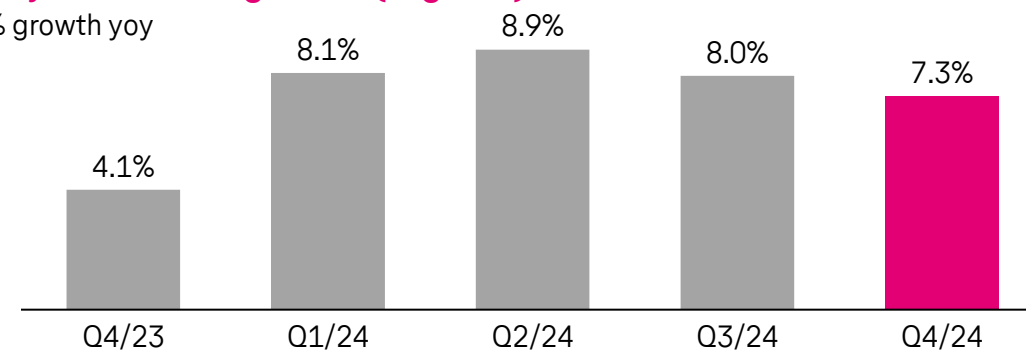
### Revenue growth (organic)

% growth yoy



### Adj. EBITDA AL growth (organic)

% growth yoy

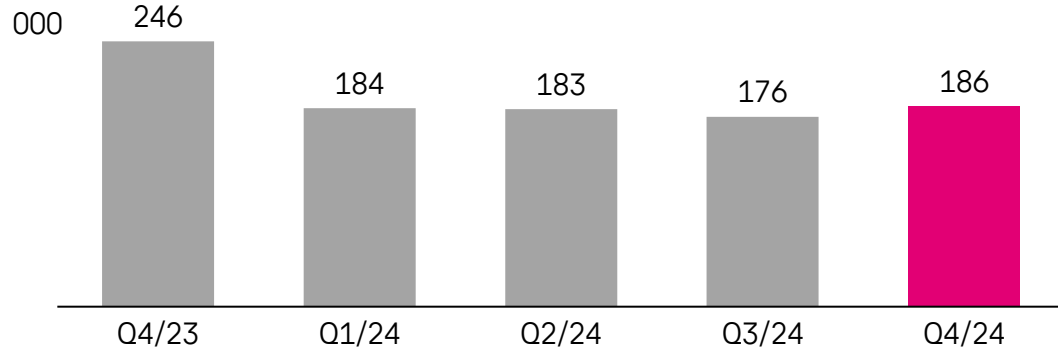


# Europe

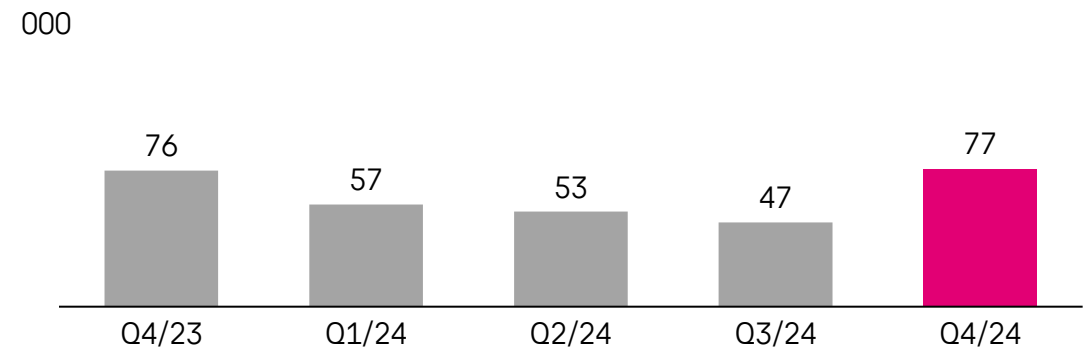
## strong commercial performance continues



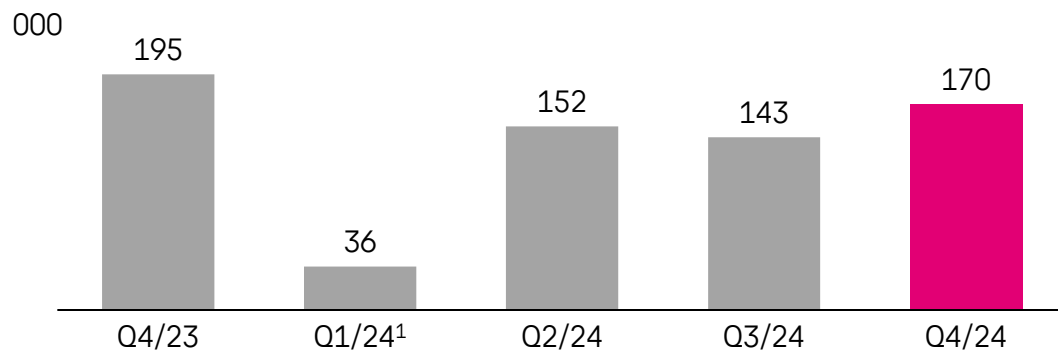
### Mobile contract net adds



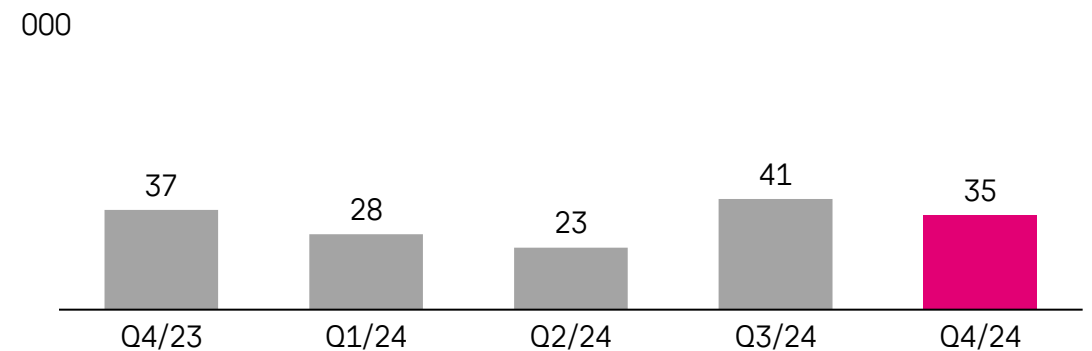
### Broadband net adds



### FMC net adds



### TV net adds



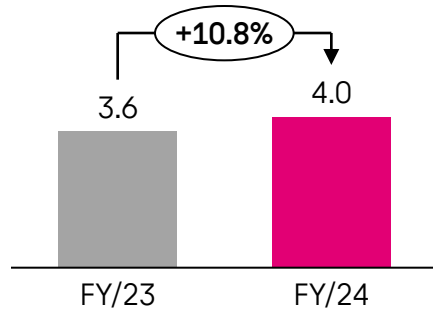
<sup>1</sup> Thereof >-100k due to contract changes in Slovakia.

# Systems Solutions

growth in order entry, revenue, and profitability

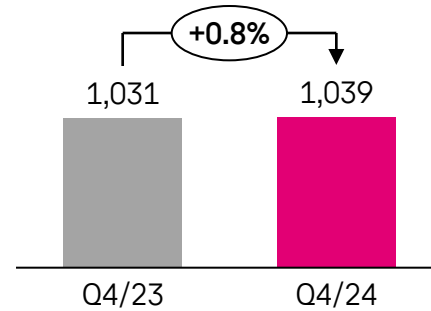
## Order entry

€ bn



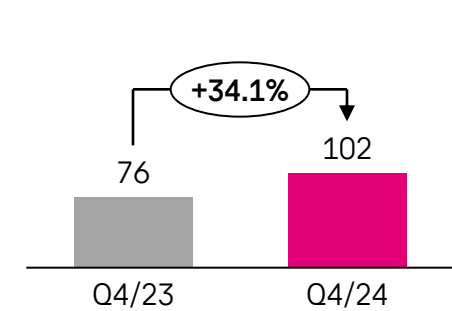
## Revenues (reported)

€ mn



## Adj. EBITDA AL (reported)

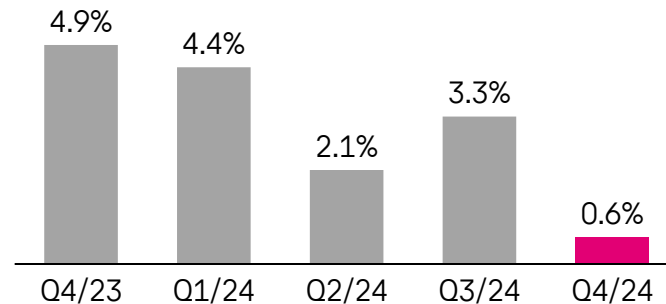
€ mn



- Good growth in order entry and revenue despite challenges in automotive vertical
- 8<sup>th</sup> consecutive quarter of adj. EBITDA AL growth
- Positive cash contribution for FY achieved

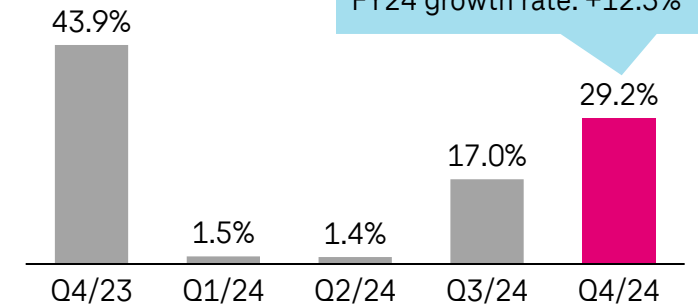
## Revenue growth (organic)

% growth yoy



## Adj. EBITDA AL growth (organic)

% growth yoy





# Financials Q4/24 reported

## strong set of results across the board

€ mn

	Q4			FY		
	2023	2024	Change	2023	2024	Change
Revenue	29,369	30,932	+5.3%	111,985	115,769	+3.4%
Service revenues	23,894	24,837	+3.9%	92,919	96,537	+3.9%
Adj. EBITDA AL	10,009	10,632	+6.2%	40,497	43,021	+6.2%
Adj. EBITDA AL (excl. US)	3,481	3,501	+0.6%	14,088	14,476	+2.8%
Adj. Net profit	1,826	2,346	+28.5%	7,940	9,397	+18.3%
Net profit	-1,035	4,182	+504.2%	17,788	11,209	-37.0%
Adj. EPS (in €)	0.37	0.48	+30.3%	1.60	1.90	+19.3%
Free cash flow AL <sup>1</sup>	4,352	4,030	-7.4%	16,141	19,156	+18.7%
Cash capex <sup>1</sup>	3,348	4,017	+20.0%	16,591	15,962	-3.8%
Net debt excl. leases (AL)	93,746	99,316	+5.9%	93,746	99,316	+5.9%
Net debt incl. leases (IFRS 16)	132,279	137,327	+3.8%	132,279	137,327	+3.8%

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

FY 24 Includes 7 cents tailwind of non-recurring EPS.

Decrease in capex driven by TMUS. Ex US capex up by €0.2 bn

Impacted by +€6.2 bn of currency effect

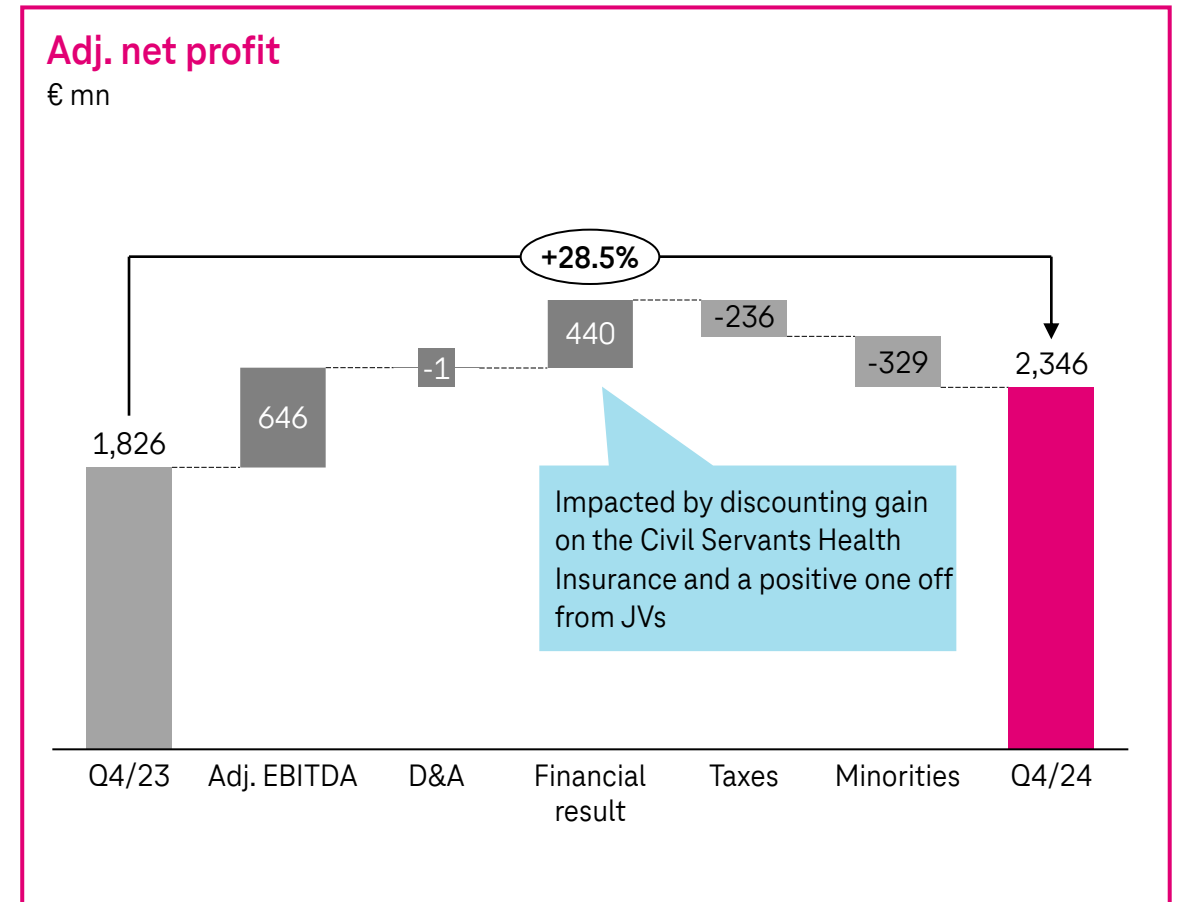
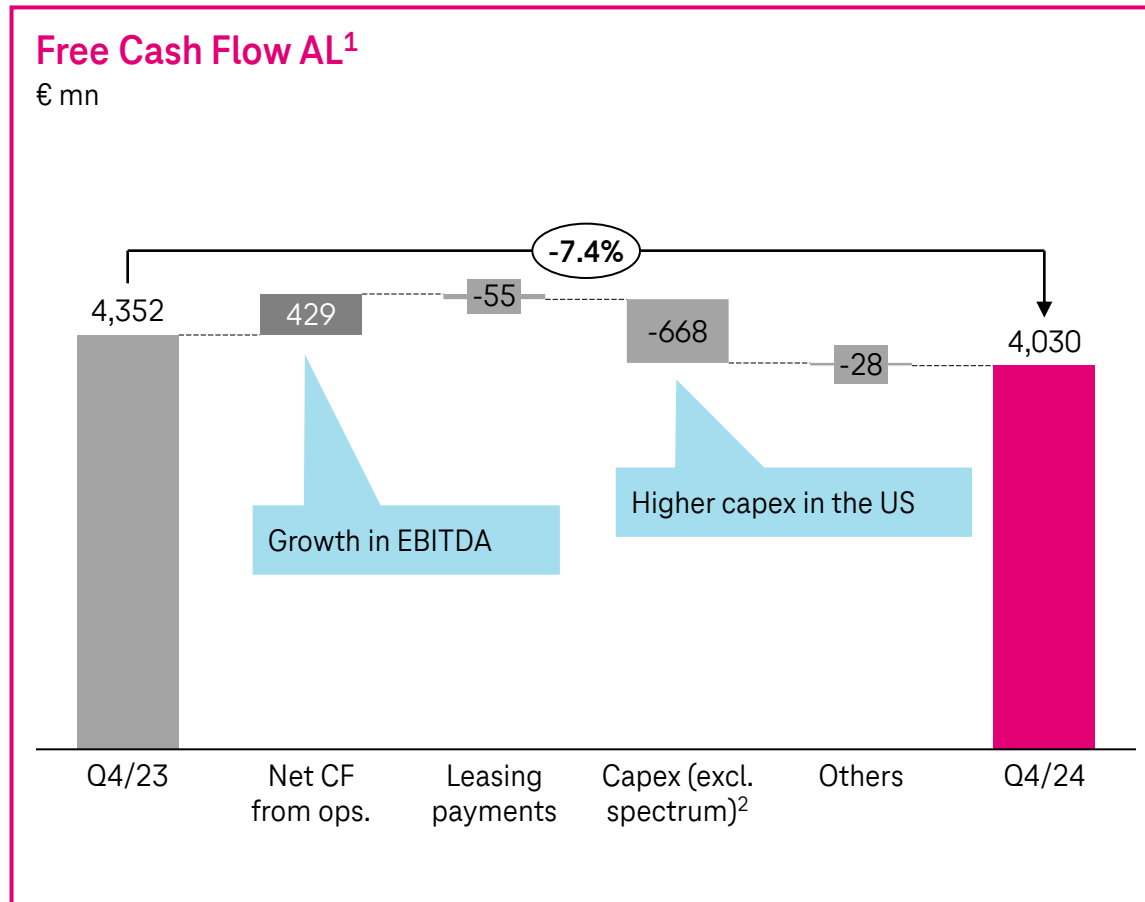
<sup>1</sup>Free cash flow AL before dividend and before spectrum investments. Cash capex before spectrum investment. Spectrum: FY/24: €3,209 mn FY/23: €1,275 mn; Q4/24: €785 mn Q4/23: €816 mn.

In this presentation the Group in FY/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

Q4 FCF AL reflecting growth in adj. EBITDA and higher capex in the US



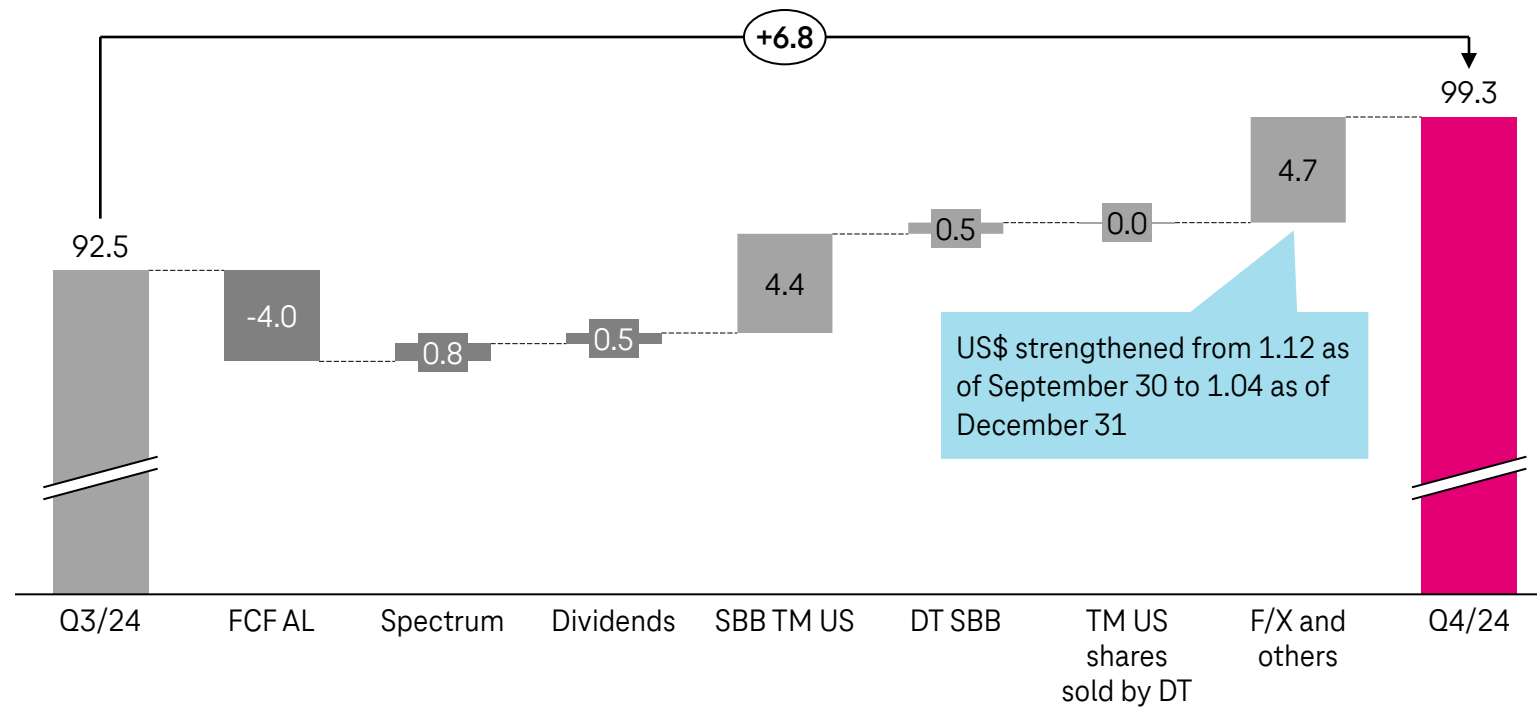
<sup>1</sup> Free cash flow and FCF AL before dividend payments and spectrum investment. <sup>2</sup> Spectrum: Q4/24: €785 mn Q4/23: €816 mn.

# Net debt

leverage slightly above 2.75x guardrail due to f/x

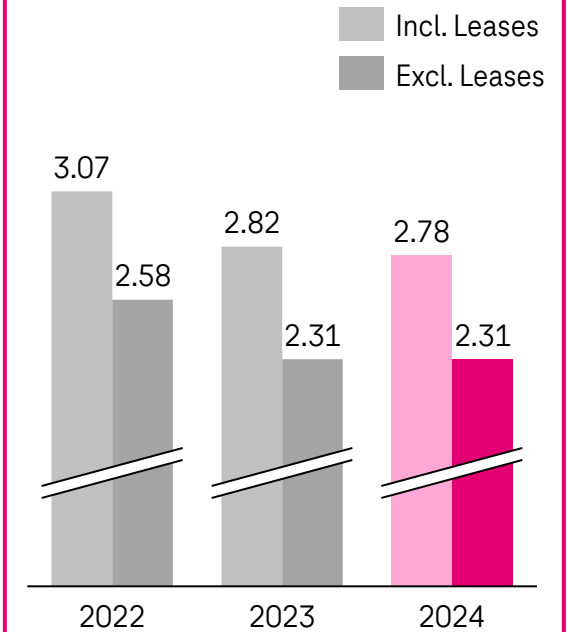
## Net debt excl. leases (AL)

€ bn



## Leverage ratios

X



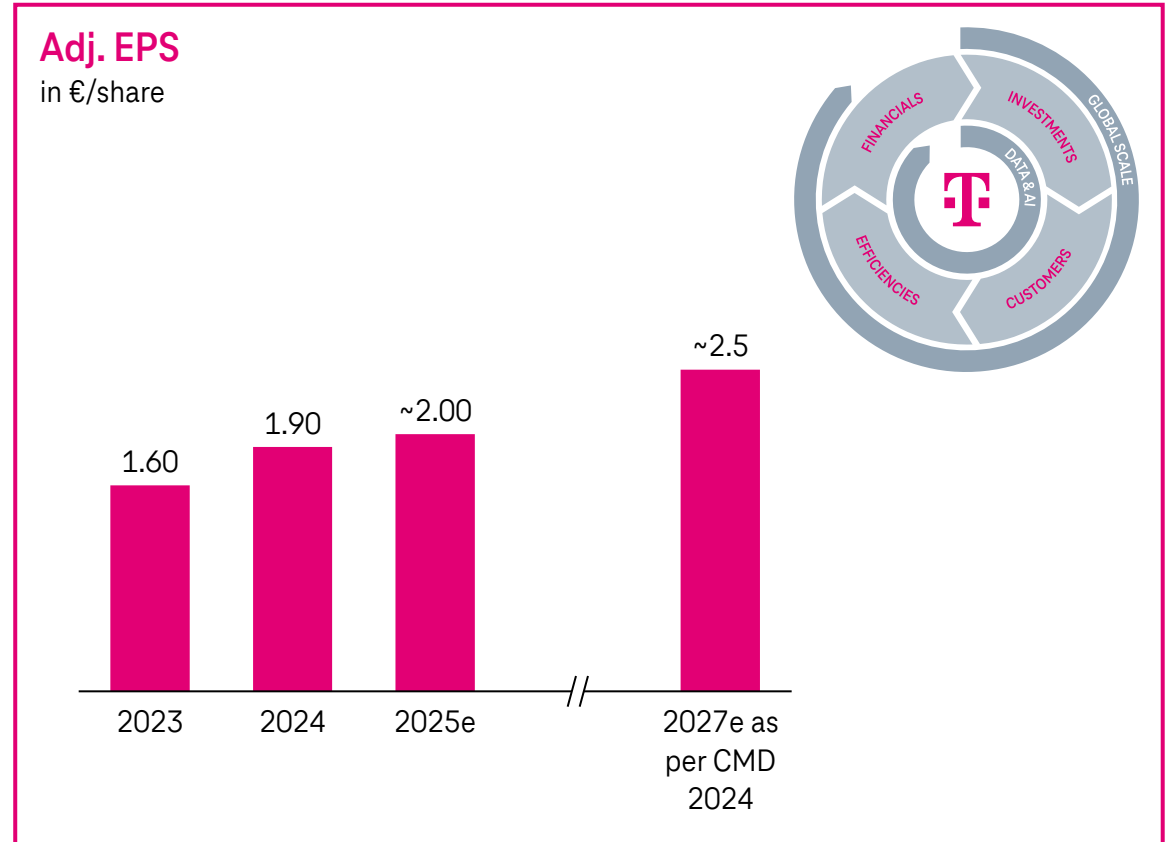
# Q4 2024 results

Main takeaways

# FY/24 Key messages

## consistent reliable growth

- Ongoing strong commercial and financial performance
- >20 mn European homes passed with fiber
- Raised 2024 guidance achieved
- 2025 guidance consistent with CMD growth ambitions at all levels
- Management continuity and evolution
- Delivering on shareholder returns (2024 TSR 38%)



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

# Q4 2024 results

## Appendix

# Organic growth rates

In %

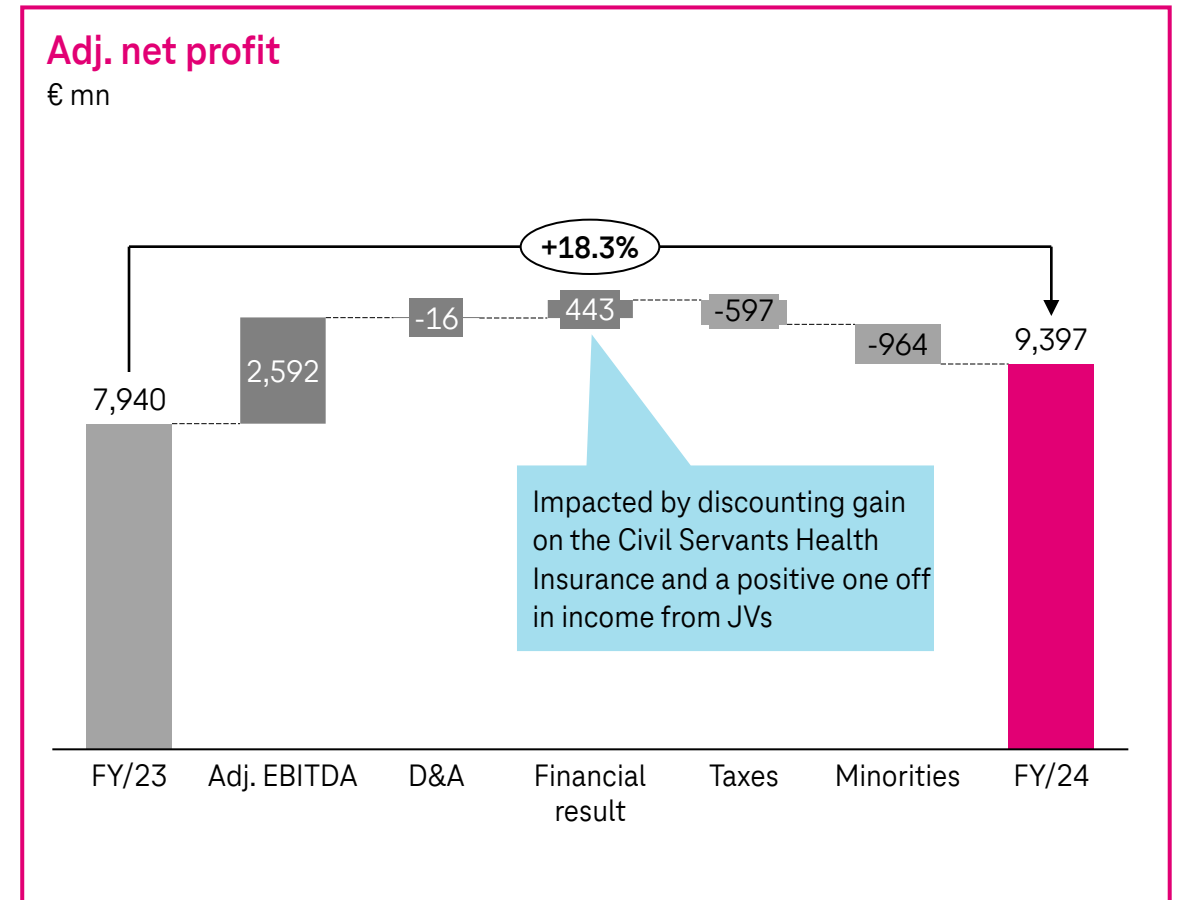
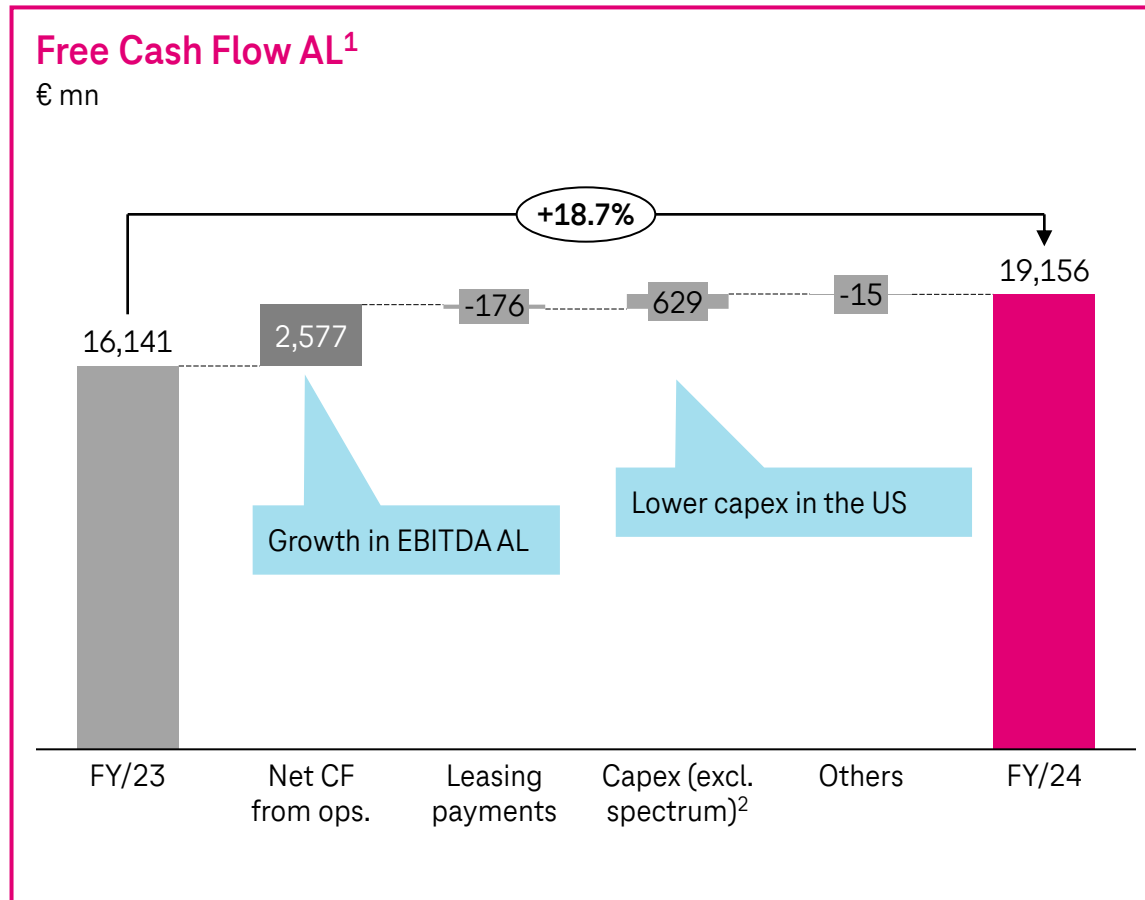
	<u>Q4/24 over Q4/23</u>	<u>FY/24 over FY/23</u>
Group revenues	+4.3	+3.3
Group service revenue	+2.8	+3.7
Service revenue DT ex US	+1.3	+2.9
Group Adj. EBITDA AL	+5.2	+6.0
Adj. EBITDA AL DT ex US	+0.7	+3.3
Group adj. Core EBITDA AL <sup>1</sup>	+5.4	+6.5

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

In this presentation the Group in FY/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).

# FCF AL and adj. net profit

FY FCF AL reflecting growth in adj. 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: FY/24: €3,209 mn FY/23: €1,275 mn.

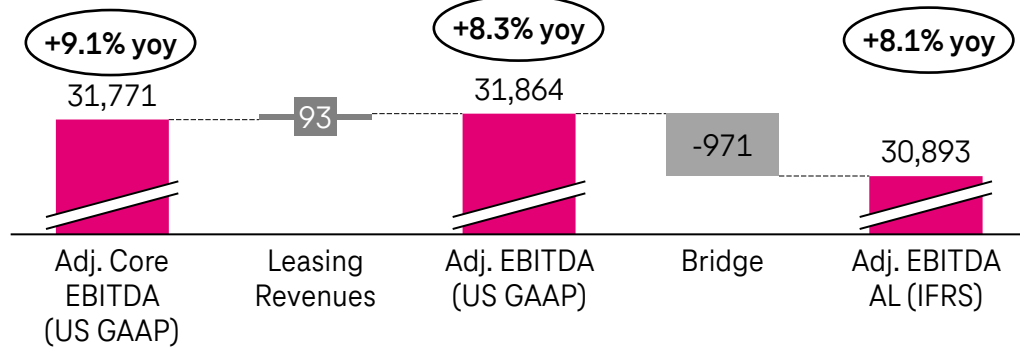


# TMUS

## EBITDA reconciliation

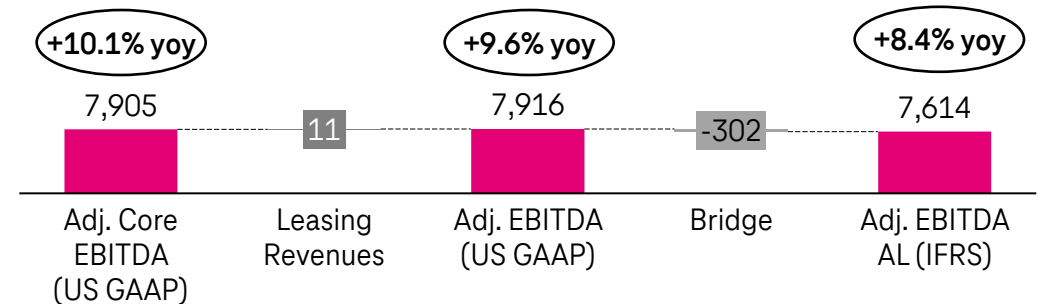
**FY/24**

US\$ mn



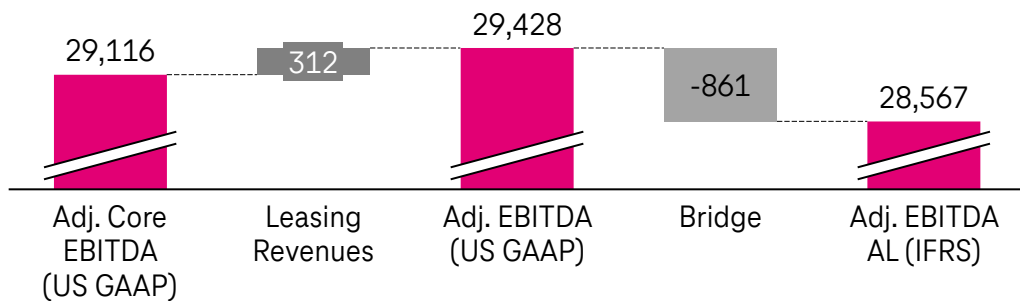
**Q4/24**

US\$ mn



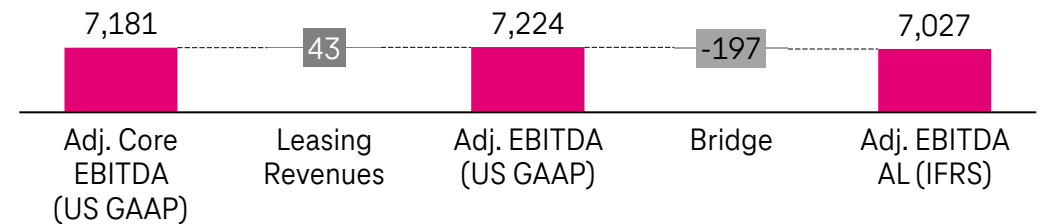
**FY/23**

US\$ mn



**Q4/23**

US\$ mn

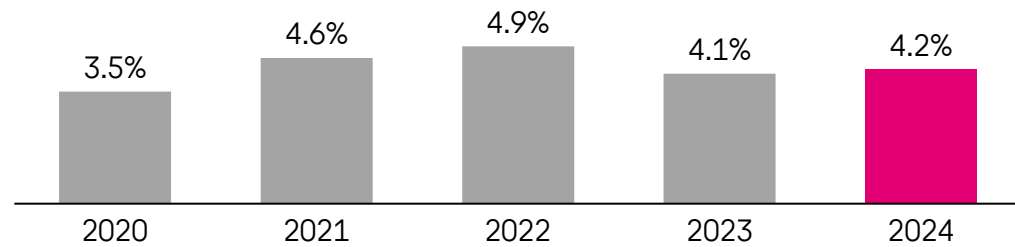


# DT Group ex US & TMUS financials

## growth on both sides of the Atlantic

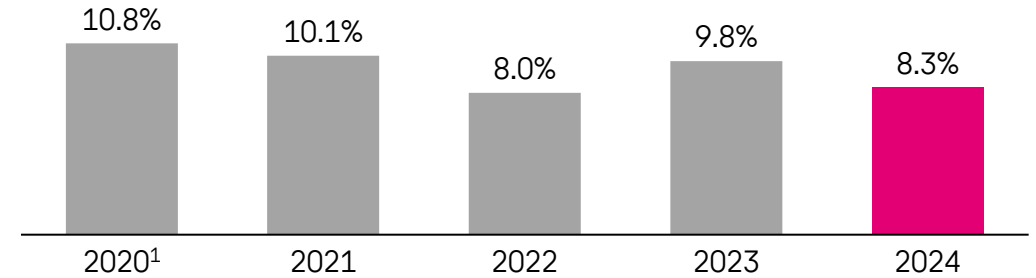
### Organic service revenue growth TMUS

in % yoy



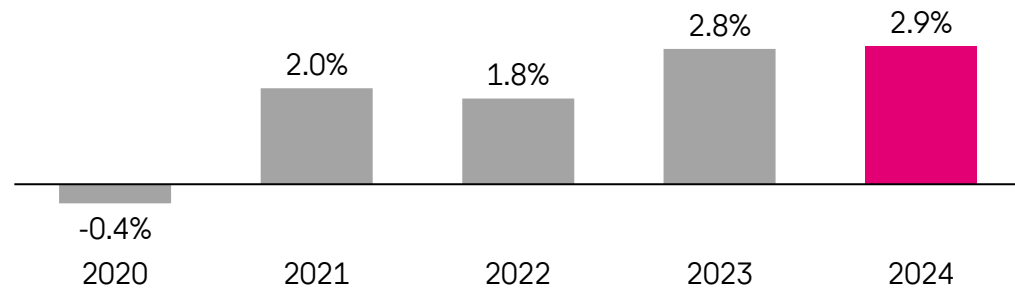
### Organic adj. core EBITDA growth TMUS

in % yoy



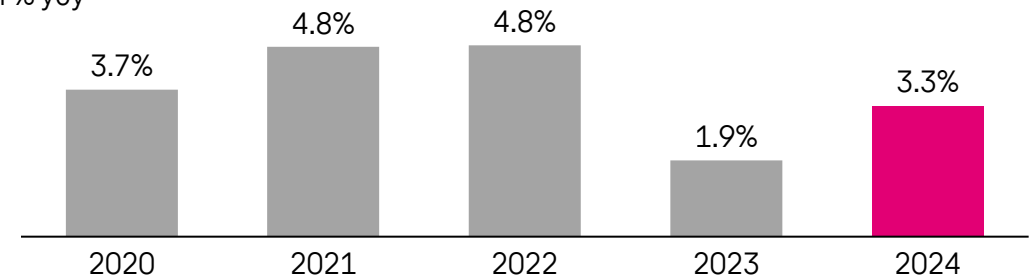
### Organic service revenue growth DT ex US

in % yoy



### Organic adj. EBITDA AL growth DT ex US

in % yoy



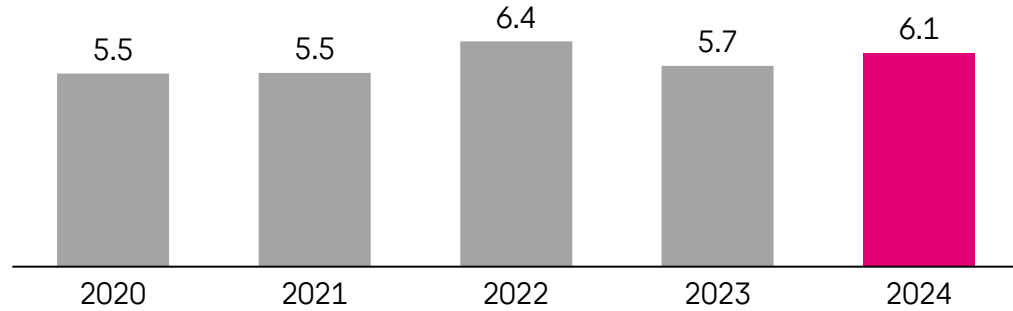
2020: Adj. EBITDA AL

# DT Group

consistent customer growth over the last 5 years

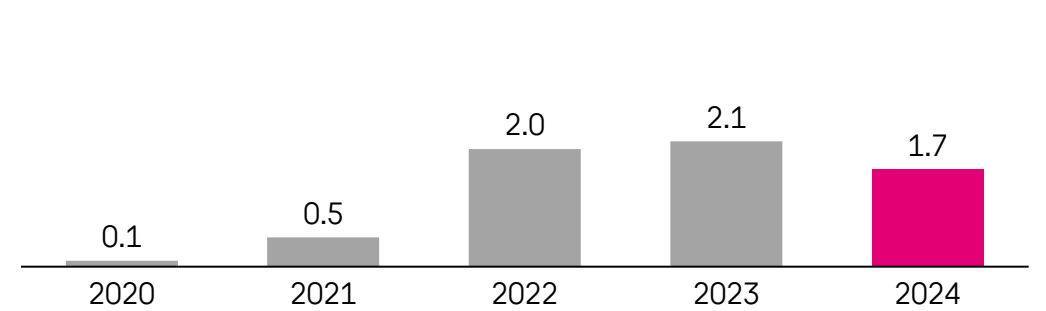
TMUS mobile postpaid net adds

mn



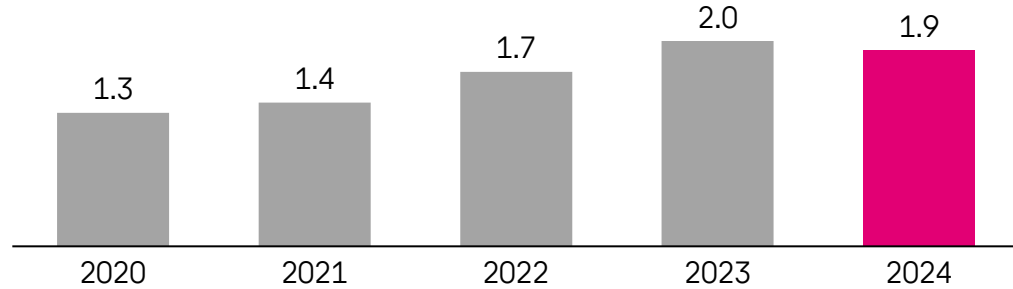
TMUS broadband net adds

mn



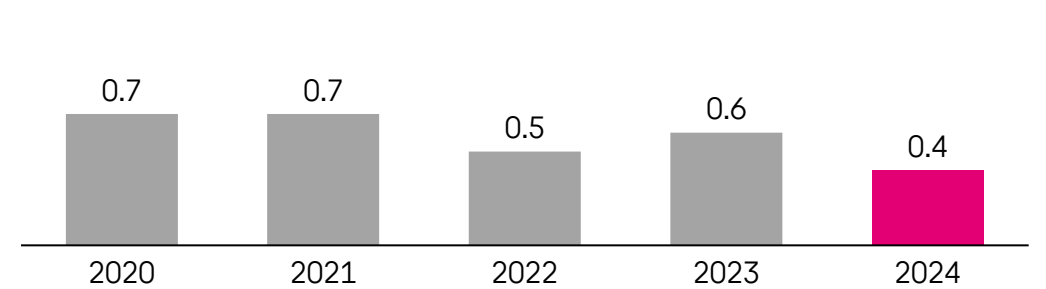
DT ex US mobile postpaid net adds

mn



DT ex US broadband net adds

mn



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

## delivered on guidance

€ bn

	FY 2023	FY 2024
<b>Adj. EBITDA</b>	<b>15.5</b>	<b>16.0</b>
Leasing opex	-1.3	-1.5
<b>Adj. EBITDA AL</b>	<b>14.1</b>	<b>14.5</b>
Cash Capex	-7.5	-7.7
Proceeds from sale of fixed assets	+0.1	+0.1
Special Factors Cash	-0.9	-1.0
Interest ex leasing	-0.7	-0.9
Cash Taxes	-1.2	-1.3
Other (working capital etc.)	-0.4	-0.2
<b>FCF AL</b>	<b>3.5</b>	<b>3.5</b>

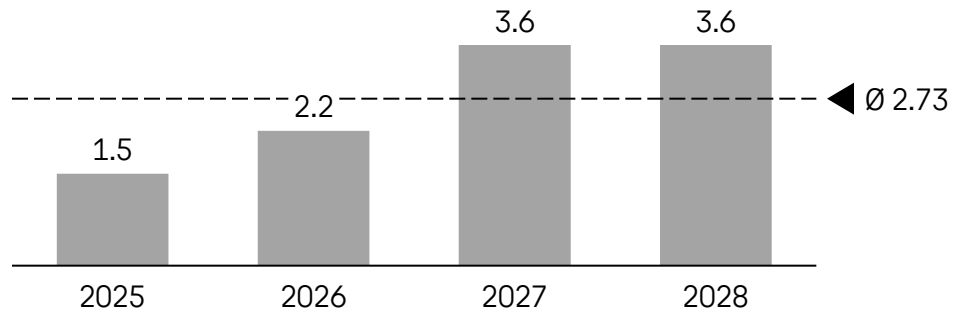
<sup>1</sup> Includes cash returns related to tower transaction. Excludes TMUS dividend receipts.

# Financials

## maturity profile covered by strong liquidity reserve

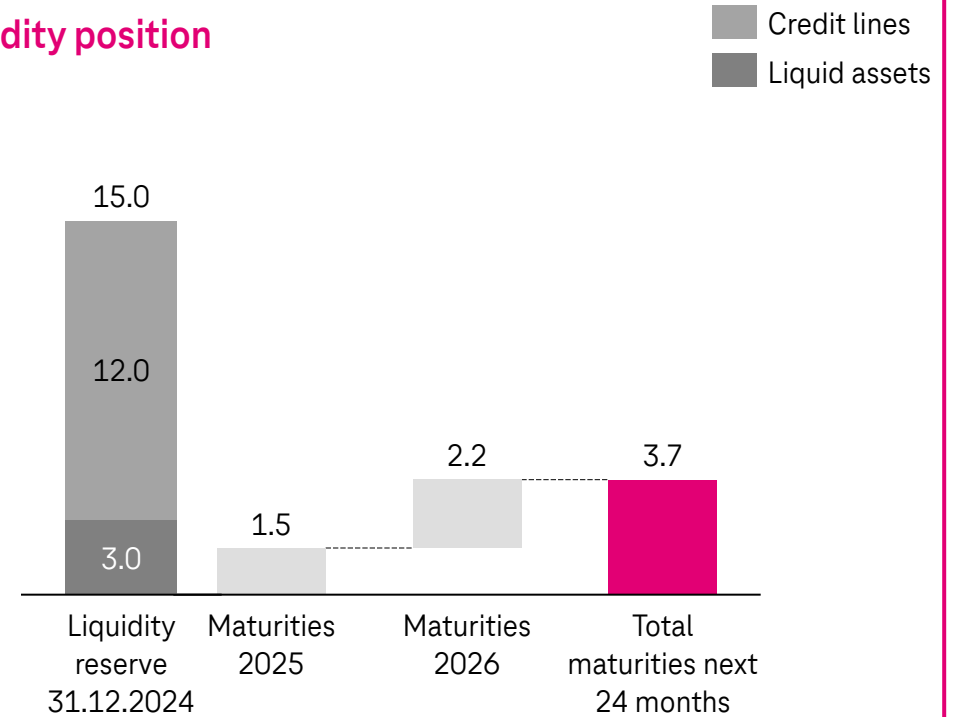
### Ex US debt maturing

€ 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

## solid across the board

€ bn

	31/12/2023	31/03/2024	30/06/2024	30/09/2024	31/12/2024
Balance sheet total	290.3	295.2	296.0	288.6	304.9
Shareholders' equity	91.2	93.2	92.4	92.4	98.6
Net debt excl. leases (AL)	93.7	94.5	97.1	92.5	99.3
Net debt excl. leases (AL)/adj. EBITDA AL <sup>1</sup>	2.31	2.30	2.32	2.18	2.31
Net debt incl. leases (IFRS 16)	132.3	133.1	135.1	128.7	137.3
Net debt incl. leases IFRS 16/adj. EBITDA <sup>1</sup>	2.82	2.81	2.81	2.64	2.78
Equity ratio	31.4%	31.6%	31.2%	32.0%	32.3%

### 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>	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 2025

## compared to consensus

€ bn

	Guidance 2025 in € @ 1.08	Guidance 2025 in € @ 1.06 (Cons. f/x)	Consensus in € @ 1.06
<b>Adj. EBITDA AL Group</b>	<b>~44.9</b>	<b>~45.5</b>	<b>46.0</b>
thereof ex US	15.0	15.0	15.0
thereof TMUS	~29.9	~30.5	31.0
<b>FCF AL</b>	<b>~19.9</b>	<b>~20.3</b>	<b>20.4</b>
thereof ex US	3.6 <sup>1</sup>	3.6 <sup>1</sup>	3.6
thereof TMUS	~16.3	~16.7	16.8 <sup>2</sup>
<b>Adj. EPS in €</b>	<b>~2.00</b>		<b>2.10</b>

US GAAP guidance is in line with consensus.

<sup>1</sup> Includes €0.1 bn of cash returns related to tower transaction. <sup>2</sup> Calculated by using the DT pre-results Group consensus of €20,375 bn and subtracting ex US contribution of €3,596.

# Outlook 2025/26 as per annual report 2024 (1/2)<sup>1</sup>

€ bn

	2024 pro forma	2025e	2026e
<b>Revenue Group</b>	<b>115.9</b>	<b>Increase</b>	<b>Increase</b>
Germany	25.7	Slight increase	Slight increase
US (in US\$)	81.3	Increase	Increase
Europe	12.3	Increase	Increase
Systems Solutions	4.0	Slight increase	Slight increase
<b>Service Revs Group</b>	<b>96.7</b>	<b>Increase</b>	<b>Increase</b>
Germany	22.5	Slight increase	Slight increase
US (in US\$)	66.3	Increase	Increase
Europe	10.2	Increase	Increase
Systems Solutions	3.9	Slight Increase	Slight Increase
<b>Adj. EBITDA AL Group</b>	<b>43.0</b>	<b>~44.9</b>	<b>Strong Increase</b>
Germany	10.5	10.8	Increase
US (in US\$)	30.9	32.3	Strong increase
Europe	4.4	4.6	Increase
Systems Solutions	0.4	0.4	Increase

<sup>1</sup> See annual report 2024 for additional details.



# Outlook 2025/26 as per annual report 2024 (2/2)<sup>1</sup>

€ bn

	2024 pro forma	2025e	2026e
<b>Cash Capex Group</b>	<b>16.0</b>	<b>~17.1</b>	<b>Stable</b>
Germany	4.8	Stable	Slight increase
US (in US\$)	8.9	Increase	Stable
Europe	1.9	Slight increase	Slight increase
Systems Solutions	0.2	Stable	Stable
<b>FCF AL Group</b>	<b>19.2</b>	<b>~19.9</b>	<b>Increase</b>
<b>Adj. EPS in €</b>	<b>1.90</b>	<b>~2.00</b>	<b>Strong increase</b>
<b>Net debt/adj. EBITDA</b>	<b>2.78x</b>	<b>≤2.75x</b>	<b>≤2.75x</b>

<sup>1</sup> See annual report 2024 for additional details.

# Investor + Analyst Webcast with Q&A session

The conference call will be held on **February 26 at 14:00 CET**, 13:00 GMT, 08:00 EST, 05:00 PST, 22:00 JST  
DT Participants: [Tim Höttges](#) (CEO), [Christian Illek](#) (CFO), [Hannes Wittig](#) (Head of Investor Relations)



- Live webcast
- Instant replay
- Available on all devices

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

Presentation	
👉	Tim Höttges (CEO): Group results + guidance
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)



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# Further questions

please contact the IR department



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