

Bond Investor Information

February 2021



LIFE IS FOR SHARING.

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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, 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.

Financials

strong growth

€ mn

	Q4			FY		
	2019	2020	Change	2019	2020	Change
Revenue	21,361	27,622	+29.3%	80,531	100,999	+25.4%
Adj. EBITDA AL	6,030	8,952	+48.5%	24,731	35,017	+41.6%
Adj. EBITDA AL (excl. US)	3,320	3,413	+2.8%	13,597	14,020	+3.1%
Adj. Net profit	1,016	1,643	+61.7%	4,948	5,715	+15.5%
Net profit	654	1,671	+155.5%	3,867	4,158	+7.5%
Adj. EPS (in €)	0.21	0.34	+61.9%	1.04	1.20	+15.4%
Free cash flow AL ^{1,2}	1,763	942	-46.6%	7,013	6,288	-10.3%
Cash capex ²	3,075	5,468	+77.8%	13,118	16,980	+29.4%
Net debt	76,031	120,227	+58.1%	76,031	120,227	+58.1%
Net debt AL	58,248	89,556	+53.7%	58,248	89,556	+53.7%

1) FY/20 before € 1,600mn zero bond redemption (in Q1) and before € 2,157mn US payer swap payment (in Q2)

2) Free cash flow AL before dividend payments and cash capex before spectrum investment. Spectrum: Q4/19: € 75mn; Q4/20: € 346mn, FY/19: € 1,239mn, FY/20: € 1,714mn

Balance sheet

net debt ratio marginally outside of IFRS 16 comfort zone

€ bn	31/12/2019	31/03/2020	30/06/2020	30/09/2020	31/12/2020
Balance sheet total	170.7	173.6	270.0	265.3	264.9
Shareholders' equity	46.2	45.9	73.5	72.0	72.6
Net debt	76.0	77.4	120.9	124.5	120.2
Net debt/Adj. EBITDA ¹	2.65	2.64	2.90	2.90	2.78
Net debt w/o leases/adj. EBITDA AL ¹	2.4	2.4	2.7	2.5	2.4
Equity ratio	27.1%	26.4%	27.2%	27.2%	27.4%

Comfort zone ratios

Rating: A-/BBB	
2.25–2.75 net debt/Adj. EBITDA	
25–35% equity ratio	
Liquidity reserve covers redemptions of the next 24 months	

Current rating

Fitch:	BBB+	stable outlook
Moody's:	Baa1	negative outlook
S&P: ²	BBB	stable outlook

1) Ratios for the interim quarters calculated on the basis of previous 4 quarters. Since Q2 including historic pro formas for Sprint

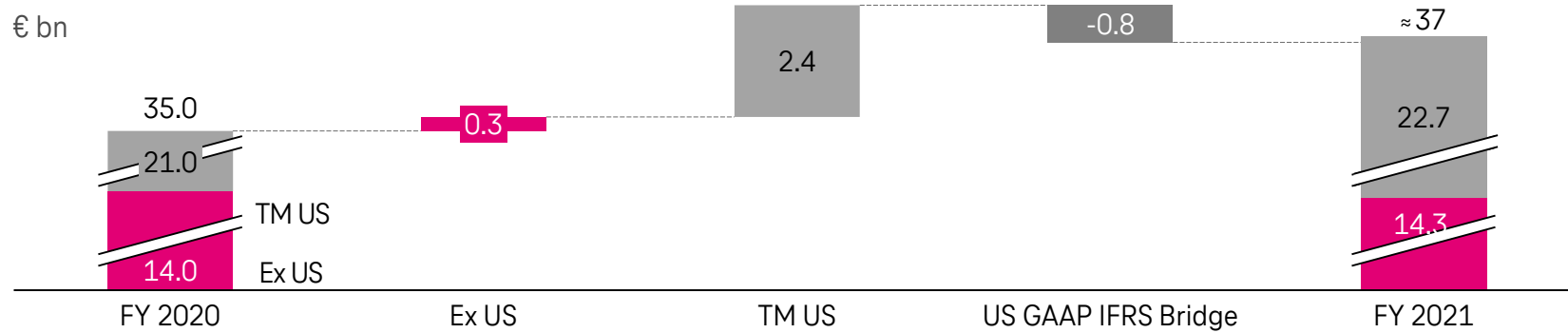
2) S&P changed rating from BBB+ credit watch negative to BBB stable outlook following the closing of the US transaction in April 2020

Guidance 2021

we grow on both sides of the Atlantic

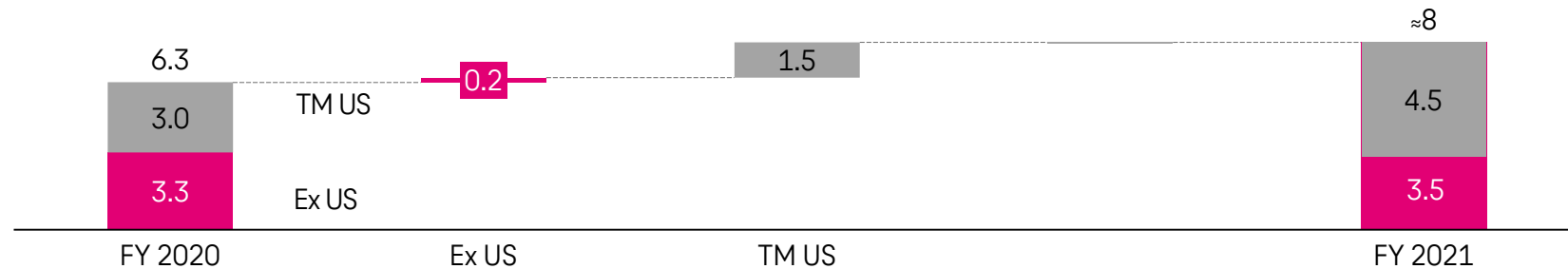
ADJ. EBITDA AL

€ bn



FCF AL

€ bn



Based on 1 € = US\$ 1.14

TM US EBITDA included at midpoint of US GAAP 2021 guidance of US\$ 26.5bn to 27.0bn, adjusted for estimated bridge of € 0.8bn.

US FCF included at midpoint of US GAAP 2021 guidance of US\$ 4.9bn to 5.4bn.

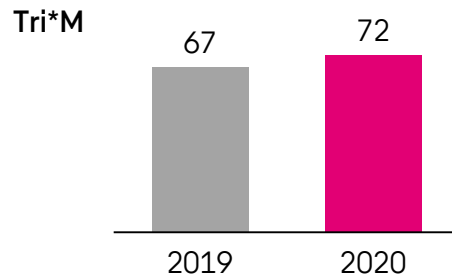
Ex US with adj. EBITDA AL of around € 14.3bn and FCF AL of around € 3.5bn included in 2021 guidance.

Society and Environment

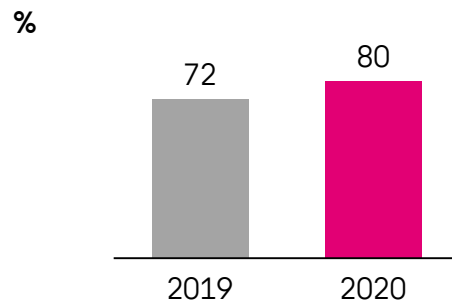
progress with ESG agenda

Societal agenda

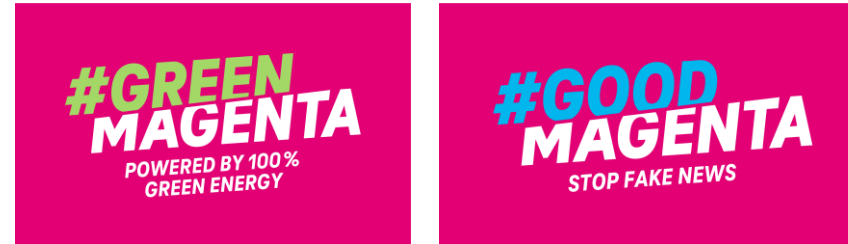
Customer satisfaction



Employee satisfaction



#GreenMagenta #GoodMagenta



Ongoing success in ESG Ratings



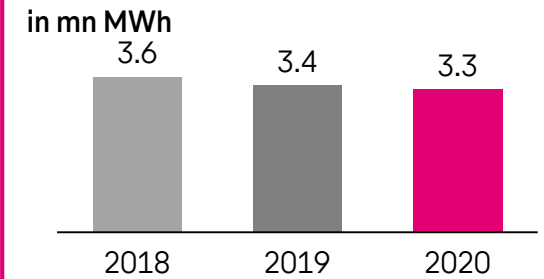
Social responsibility

- Launch of a **variety of covid-19 measures** for customers, employees and society
- Support for schools and students on both sides of the Atlantic

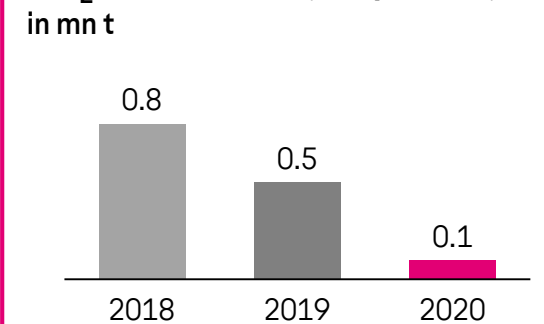


Environmental agenda

Energy consumption¹



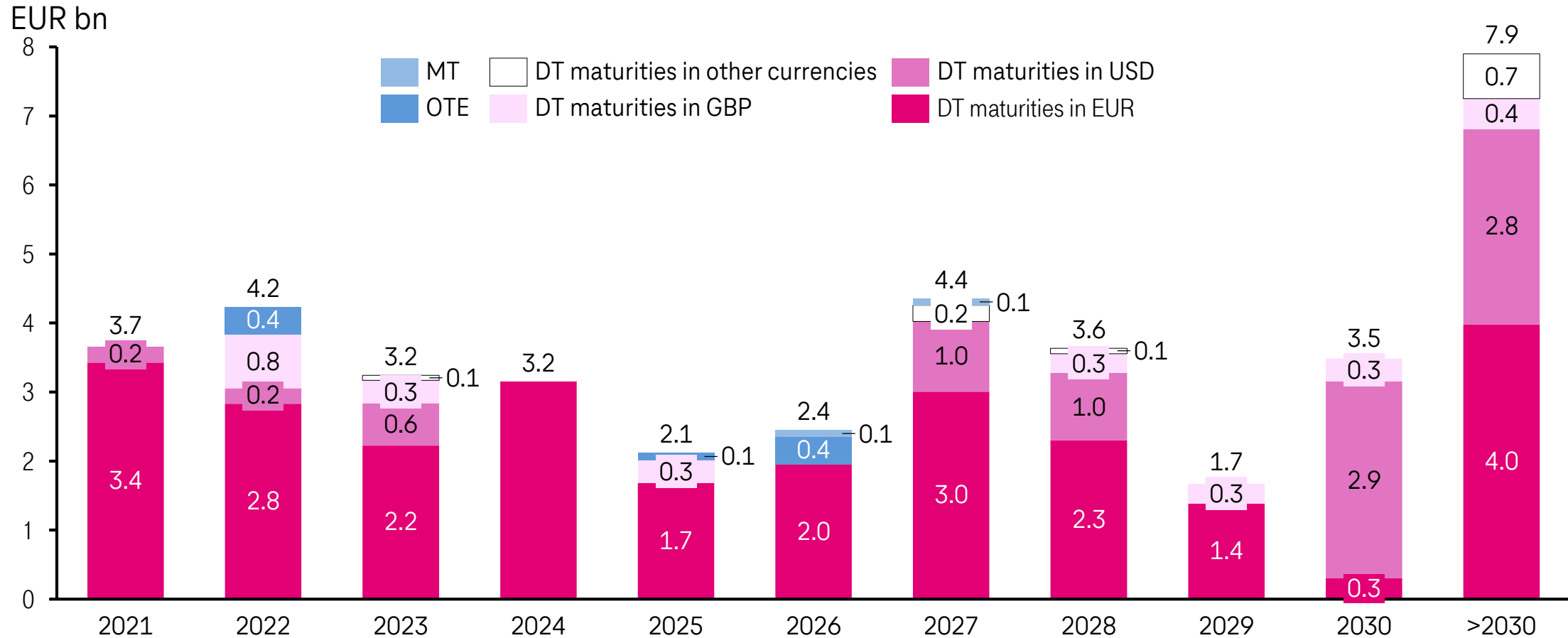
CO₂e emissions (scope 1+2)¹



1) In Germany

Maturity profile DT Group excl. TMUS

well balanced



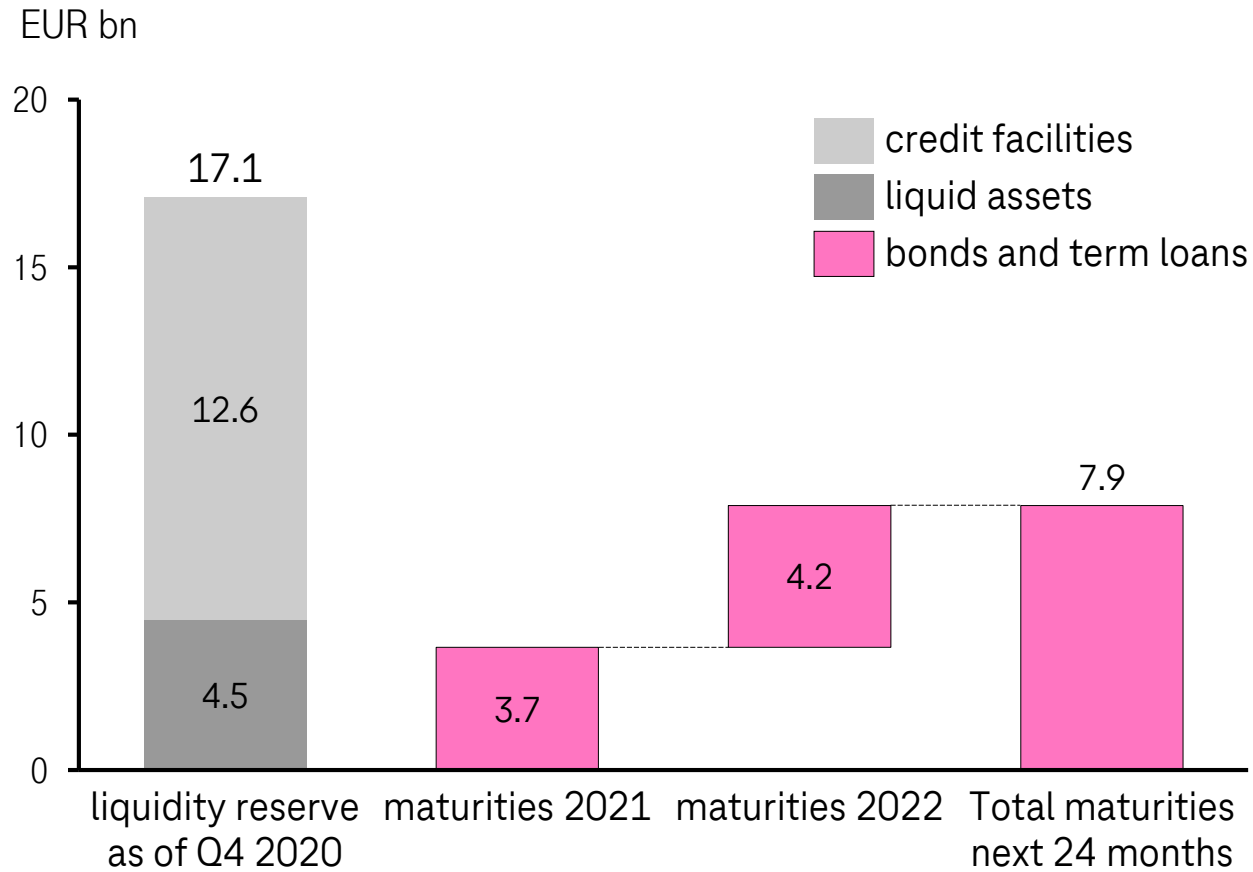
Furthermore DT holds USD 4.75bn TMUS unsecured HY bonds

due to rounding differences: sum of single maturities per year ≠ total maturity per year



Liquidity DT Group excl. TMUS

strong position



- EUR 12.6bn firm bilateral lines available
- no bilateral lines drawn
- No CPs outstanding
- Residual undrawn amount EUR 12.6bn
- Maturities (excluding TMUS) of next 24 months covered

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