

– Check against delivery –

**Conference call**

**Report on the first quarter of 2024**

**May 16, 2024**

**Timotheus Höttges**

**Chief Executive Officer**

**Deutsche Telekom AG**

Thank you, Philipp!

From me, too, good morning everyone.

My core messages today are:

- Deutsche Telekom has started the year well. Despite higher costs in all areas.
- We are meeting the targets we have set for our most important financial performance indicators.
- In terms of growth, we are doing fine in all our markets.
- We are carrying on undeterred with our fiber-optic build-out, despite inflation and intense competition combined with limited build-out capacities.

- In Germany, we see challenges in broadband growth: The overall market had a rather weak quarter with limited growth.

The bottom line is this: Deutsche Telekom is and remains a reliable constant, and the first quarter is no exception. We continue on our course. And we confirm our guidance for the current year.

I would now like to take a closer look at the figures for the first quarter with you. As always, I will start at the Group level and the general trends in our segments. Christian Illek will then drill down to developments in each segment.

Ladies and Gentlemen,

Deutsche Telekom has seen sustainable growth in the first quarter. Net revenue is up by 1.6 percent year-on-year on an organic basis. Our service revenues, which are pertinent to our margin, grew at a significantly sharper rate. The year-on-year growth here was 4.1 percent across the Group on an organic basis.

And even higher than that was the growth in adjusted core EBITDA AL, which increased in the first quarter by 6.9 percent in organic terms. But we do so with a close eye on our financial ratios: Net debt to adjusted EBITDA AL has improved slightly to 2.3x. Our finances are sound.

These figures send a clear message that Deutsche Telekom remains geared to growth in its core business. To profitable growth. And this is true on both sides of the Atlantic.

On the very important mobile communications market in the United States, the influx of customers remains at a sustained high level. Despite intense competition, more than 1.2 million people chose a contract with T-Mobile US in the first quarter, putting our subsidiary at the same high level of last year. And we expect further growth over the course of the year.

Our network leadership has also been confirmed yet again: In the latest Ookla study, T-Mobile US' 5G network achieved an average speed of over double that of AT&T and Verizon. It is further evidence that T-Mobile US has become the pacesetter on the mobile communications market in the United States.

But our ambition is also to identify and tap new growth areas. For instance, although T-Mobile US already owns its own 5G network, in the fixed network, we were only active as a sales partner to a few local network operators. That is now changing.

Together with EQT, a global investment fund, T-Mobile US has reached an agreement to acquire the FTTH platform Lumos. Our U.S. colleagues expect the demand for stable broadband lines to continue growing. Lumos is set to reach around 3.5 million U.S. homes passed with a gigabit fixed-network line by the end of 2028. And T-Mobile US is Lumos' leading sales partner for the fiber-optic lines.

With its strengths in high-speed connectivity and reliability, coupled with its excellent brand image, we believe T-Mobile US will deliver a stand-out customer experience in this market, too. We have already seen this with our broadband lines, for which we have won five million customers in the United States by now.

For our U.S. business, this means that:

We are tapping new markets and revenue prospects. And we can limit the money we put into these efforts because we share the investments with EQT. We won't stop!

Ladies and Gentlemen,

The strong development also continued unabated in our domestic market of Germany during the first quarter. Adjusted EBITDA AL grew 3.0 percent in organic terms.

Our ongoing investments in 5G, optical fiber, and digital services are paying off. We benefit from our undisputed network leadership: Happily, this is again reflected in customer numbers. With 281,000 new mobile contracts and 73,000 new MagentaTV

subscriptions, we are seeing clear growth. In broadband, we added 39,000 new contract customers.

This means net adds slowed in this quarter, while our revenue growth in this area remained strong. This is no big surprise, given the very strong growth we saw in 2023 and the overall situation on the German market: Our competitors are currently losing fewer lines. To a certain extent, they have stabilized following continuous losses in past quarters. Added to this, the market is showing a certain degree of maturity – with corresponding effects on our growth.

As a result, we are significantly below both the prior-year figure and our expectations in this quarter. We accept the challenge of getting this back on track quickly. The non-stop growth in demand for our fiber-optic lines makes me optimistic that success will come quickly.

In the first quarter, we won 93,000 new customers with FTTH lines. Up from 65,000 a year ago. For full-year 2024, Srinu Gopalan and his team expect to put around 450,000 new FTTH lines into operation – that is an increase of over 50 percent.

And that brings me to our TV business, which grew by almost 50 percent year-on-year. Here, we see a particular effect: As you know, the transition period of a long-standing law will end on June 30. And the best part is that the change is a positive one for customers.

The abolition of the privilege for property owners or housing companies to pass on cable TV and internet service fees as ancillary rental costs to tenants means that over 12 million tenants are now free to decide how they receive and watch TV. They are no longer required to pay for cable TV, whether they use it or not. Instead, they can choose their own TV provider. And the figures back us up: MagentaTV is often the product of choice. It unites traditional linear TV with added convenience and the best of the modern world of streaming. And customers appreciate this.

But there is also another reason why July 1 is a red-letter day for TV viewers. We will then find ourselves right in the middle of the EURO 2024 football championships in

Germany. Here at Deutsche Telekom, we are particularly excited about the tournament.

We at Deutsche Telekom want to make EURO 2024 a unique experience:

1. We are the official national partner for sponsorship.
2. We are the partner for digital communication services. That means providing high-speed connectivity to the stadiums and fan zones. And the images from the UEFA broadcast center in Leipzig will be transmitted worldwide via our network.
3. We are also the official partner for media rights. All 51 EURO 2024 matches are available exclusively on MagentaTV. What is more, MagentaTV will be visible in countless pubs and at the many public screening events across the country.

And from a Telekom perspective, we are of course delighted that seven Telekom countries – Austria, Poland, Hungary, Slovakia, the Czech Republic, Croatia, and Romania – will be guests at EURO 2024 in Germany. And that brings me to the Europe segment.

Ladies and Gentlemen,

Business has also been developing well in our national companies in Europe since the start of the year. Adjusted EBITDA AL in our Europe segment is up 8.1 percent on an organic basis. Our European subsidiaries have posted earnings growth for 25 consecutive quarters. Which goes to show how important and positive our Europe segment is for the Group as a whole.

The growth in the number of mobile contracts concluded is particularly marked, with 184,000 net customer adds, up from 104,000 in the prior-year period. This is a genuinely stand-out result for our Europe business.

Thank you. With that, I will now hand you over to Christian Illek.