

– Check against delivery –

Conference Call
Report on the third quarter of 2022
November 10, 2022

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Chief Executive Officer
Deutsche Telekom AG

Thank you, Philipp!

Good morning, Ladies and Gentlemen.

The situation in Europe continues to be unstable. There is still a war going on in Ukraine, energy costs are skyrocketing, and inflation is on the rise. It is not easy to remain objective and present our figures to you today under such inauspicious circumstances. But this objectivity is also linked to showing stability and remaining resolutely on course. To inspiring confidence and conveying a sense of security. That is what Deutsche Telekom stands for.

Above all else: Our customers can count on us. Our business continues on its growth course. Our investments remain high and have actually further increased. We are driving forward the digital transformation of our Company undeterred. We maneuver calmly and consistently on our charted course. And this is underpinned today by the corresponding figures.

Allow me to elaborate on three aspects:

First: We continued to rigorously implement our strategy throughout the first nine months of 2022.

- We reached a key milestone with the partnership for our cell tower business, which we agreed on in July. This is how we make the value growth visible and at the same time safeguard the network build-out for our customers.
- Our operating businesses on both sides of the Atlantic have performed remarkably consistent over the year so far. Adjusted core EBITDA increased by 5.9 percent across the Group in the first nine months on an organic basis. In the United States, organic growth was at 7.0 percent. In business excluding the United States, adjusted EBITDA AL increased by 4.3 percent in organic terms.
- Our U.S. subsidiary reported organic growth in service revenues – which are a very important marker for us – of 5.4 percent year-on-year. Outside of the United States, this growth was at 1.8 percent in organic terms. We have achieved our own targets and are writing a further chapter in our growth story.
- The bottom line is this: Development in the third quarter was so strong that we are raising our guidance for the third time this year. For the Group as a whole, we now expect adjusted EBITDA AL of more than 37 billion euros. We are raising our guidance for adjusted earnings per share from more than 1.25 euros to over 1.50 euros.
- Like always, we want our shareholders to benefit from this upward trajectory. Subject to approval by the Supervisory Board and the shareholders' meeting, the Board of Management plans to pay a dividend for the 2022 financial year of 0.70 euros per dividend-bearing share. The trust placed in Deutsche Telekom is paying off.
- This good development in our financials is in particular down to customers' confidence in our products. That is why people are flocking to us.

- T-Mobile US has set yet another record: With 4.6 million new postpaid customers in the first nine months, our U.S. subsidiary sets the benchmark in the world's most important mobile communications market. And the integration of Sprint is progressing faster than we anticipated. T-Mobile US has just raised its synergy guidance for the current year yet again, at mid-point by 250 million U.S. dollars against the most recent guidance.
- In Germany and Europe, we recorded 1.4 million mobile contract net additions in the year to date. That is an increase of around 350,000 new contract customers compared with the prior-year period. This was driven in part by the positive effects of our new Next Magenta rate plans offering fair, family-friendly conditions in the best network. That is what people get at Deutsche Telekom.
- We are industry-leading in broadband, too. In our European business we have added 380,000 new customers over the course of the year. We are also growing continually with TV, with 150,000 net additions. Both areas have seen an upward trend in the third quarter compared with the prior three months. We are particularly excited about the fourth quarter, because we have a huge sporting highlight coming up on MagentaTV: the 2022 FIFA World Cup. In Germany, all 64 soccer matches will be available to watch live and in UHD exclusively from Deutsche Telekom.
- But people are also switching to us because we offer them the best infrastructure. While keeping our sights firmly set on our annual network build-out targets. Our 5G mobile network already reaches over 94 percent of the German population.
- In the United States, it is 320 million people, 250 million of whom are on the ultra-fast 2.5 GHz band. That is more than the competition across all markets. That means leading.
- In the fixed network, our fiber-optic build-out teams are working to meet our annual target of 2 million FTTH lines – a target that we will also achieve. We

are already building more optical fiber than all of our competitors combined. It is our drive and our ambition to be a leader here too.

Ladies and Gentlemen,

That brings me to my second point: Deutsche Telekom is exceeding expectations in some areas. This, too, is reflected in our figures:

- Our share is at a 20-year high. Our market capitalization stands at over 97 billion euros.
- Our highest-ever value in the United States is a little higher still. 186.5 billion U.S. dollars, to be exact. That is the market cap of T-Mobile US as it stands today. Making our subsidiary the most valuable telecommunications company in the world. Ahead of Verizon. Ahead of AT&T. And ahead of China Mobile. A good two years on from the approval of the business combination with Sprint, we are the No. 1. I do not think many people expected things to work out quite so well. Apart from Christian Illek and I, of course.
- And, like we communicated in the past, we are pursuing a clear plan to secure the majority stake in T-Mobile US. This is the right course of action for Deutsche Telekom's strategic further development.
- We are growing consistently in Germany and in our European subsidiaries. In Germany, we recorded the 24th successive quarter of earnings growth in organic terms – that is six years! In our Europe business, we have now hit 19 quarters of unbroken growth. That is unprecedented.
- At the same time, we maintain a consistent focus on achieving our sustainability goals. This is particularly important to me and is something we talked about at our Sustainability Day on October 12: our goal to be completely climate neutral by 2040. And by 2030, we want to have fully

transitioned to a circular economy for electronic devices.

- Everyone can do their bit. There are 200 million mobile phones lying unused in drawers around Germany. We take them back. And we implement a recycling plan under which we exclusively use sustainable materials for the packaging of our devices in Germany and Europe.
- We are also converting our car fleet. From 2023, all our company cars in Germany will be electric – a first step, but all the more important for it.

Ladies and Gentlemen,

My last point: Deutsche Telekom is strong, but not self-sufficient.

- We actively accept our responsibility to society. That has always been part of our identity as a large, international company.
- Nevertheless, we, too, are part of an economic cycle that must ultimately pay off for everyone. We invest colossal amounts in our digital infrastructure every year. By 2030, we are set to plow around 30 billion euros into the fiber-optic build-out in Germany alone. There has to be a solid basis in place so that we can cushion these costs.
- At the same time, we see our contract partners facing rising costs, in particular for the civil engineering works required for the build-out. For the operation of construction machinery, for higher wages, and so on. We must find a suitable balance between the various challenges and interests. Here, too, we must act responsibly.

Ladies and Gentlemen,

Deutsche Telekom must safeguard its competitiveness if it is to remain capable of taking action. We have done this well over the year so far. Momentum is on our side. This is how we earn the trust of our customers. Our “T” symbolizes our leadership strength, and we want it to stay that way. We maintain our course despite many uncertainties. We won’t stop!

Thank you, I will now hand you back to Christian Illek.

(Speech part Christian P. Illek)

Ladies and Gentlemen,

We sustained the extremely successful development of recent years throughout the first nine months of 2022.

- T-Mobile US is making faster progress in integrating Sprint than previously planned. At the same time, customer growth remained at a strong level and our earnings performance improved, with adjusted core EBITDA up 7 percent.
- In our business excluding the United States, we posted further earnings growth: Adjusted EBITDA AL was up 4.3 percent in organic terms. And, as I mentioned, we have hit 24 successive quarters of earnings growth in Germany and 19 in our European subsidiaries.
- Our strategy keeps paying off: We invest large amounts in building out our networks. Around 18 percent more in the first nine months of 2022, bringing the total up to 15.2 billion euros. Customers switch to us because we offer them the best infrastructure. That leads to higher earnings.
- We continually monitor the trends in key cost factors and in many areas we have been able to fix our costs on a short- and medium-term basis, including the interest on our borrowing, and our energy costs. We work flat out to cushion the impact of the price increases.

- Meanwhile T-Mobile US has introduced a program for share buy-backs of up to 14 billion U.S. dollars, with the first repurchase transactions already completed.
- Allow me to reiterate: For the 2022 financial year, the Board of Management – subject to the necessary further approvals – plans to pay out a dividend of 0.70 euros.
- And we confirm the medium-term targets we communicated at our Capital Markets Day in 2021.
- We remain dependable. Stable. You might even say a little boring. But given these uncertain times, for once I am happy that this is the case.