

– Check against delivery –

**Speech for Deutsche Telekom's shareholders' meeting 2025
in Bonn on April 9, 2025**

**Timotheus Höttges
Chief Executive Officer
Deutsche Telekom AG**

Dear shareholders,
ladies and gentlemen,
dear customers!

Everything was better back then, right?

Your Deutsche Telekom is living proof to the contrary. We are Germany's most profitable company. Who would have thought it?

2024 was a record year.

- Revenue: almost 116 billion euros. Up 3.4 percent.
- Earnings from operations¹: 43 billion euros. The most in our company's history. Up 6 percent. The Europe segment: up 8 percent.
- Free cash flow²: 19.2 billion euros. Up 19 percent.
- And earnings per share³: 1.90 euros. Up 19 percent.

¹ Adj. EBITDA AL

² Adj. FCF AL

³ Adj. earnings per share

We have never paid out more. The same applies to the dividend. Our proposal is 90 eurocents per share.

Our share price has also seen excellent development in 2024, reaching 28.89 euros at the end of the year. We have beaten the DAX, EURO STOXX, and the Telco Stoxx. This results in a total return of around 38 percent for you. Including the dividend. For 2024.

We want to strengthen confidence in our share even further. And buy back shares worth up to two billion euros again this year.

We could simply say that everything is great. But we are not naive. We are living in turbulent times. Politically and economically. But that is precisely why it is good to be with Deutsche Telekom right now. We are not volatile. We are stable. For many, we are a safe haven for investment.

- We are the backbone of digital society. And 'connection' is our product. The last thing people want to do without, even in challenging times.
- We are strong on both sides of the Atlantic. We are not dependent on any one market. If things slow down somewhere, we compensate for it somewhere else.
- We are a global company. But we produce locally. That is why we are less affected by tariffs.
- We have been investing for years. And we can continue doing so.
- That is why we are a reliable employer. For our 200,000 Deutsche Telekom employees worldwide.

However, 'more of the same' will not be our motto. We need change.

Kodak, Blackberry, Air Berlin... Once icons of their industry. Today, they are a stark reminder of what happens if you fail to keep reinventing yourself.

That is why we look to the future. We do not allow ourselves to be distracted by a negative mood. We are focused on what lies ahead of us. At Deutsche Telekom, we say “put your blinkers on.” So put those blinkers on, keep your eye on the prize, and you will reach it.

In October, we outlined targets for the period through 2027 at our Capital Markets Day. And we confirm them today. We are confident we can achieve even more. With artificial intelligence – throughout the company. And by using our global strength. We want today’s records to be tomorrow’s standard. This is how we continue to grow⁴:

- By an average of four percent per year in terms of service revenue.
- And by an average of between four and six percent with respect to the earnings from operations⁵. This year, we expect around 44.9 billion euros.
- Free cash flow⁶ is expected to reach around 21 billion euros by the end of 2027. This year, we expect around 19.9 billion euros.
- And we are striving for earnings per share⁷ of around 2.50 euros by the end of 2027. This year, we expect it to be around two euros. We also continue to believe that the dividend should be between 40 and 60 percent of the earnings⁸ per share.

When you do the right thing, success is inevitable. But figures are just the ‘what’. The key factor is the ‘how’. Here are four principles we follow:

⁴ Guidance assumes a U.S. dollar exchange rate of 1.08 U.S. dollars per euro.

⁵ Adj. EBITDA AL

⁶ Adj. FCF AL

⁷ Adj. earnings per share

⁸ Adj. earnings per share

1. Every day, we make the best network better

We invested 16 billion euros⁹ globally in 2024, primarily in 5G and optical fiber.

The fixed network in Germany is where we came from. And it should also be our future. With optical fiber. Therefore, we are building more than anyone else. And we are currently doing so in 4,000 towns, cities, and municipalities. Ten million customers can opt for this service. And another ten million can do so in Europe.

We are also entering the fiber market in the United States. We have bought the company Lumos. And plan to buy Metronet. In both cases, together with investors. Which is good for the balance sheet and reduces risk. Our target in the U.S. is to have 12 to 15 million fiber-optic households by 2030.

Let us take a look at mobile communications. Which are getting better and better. They are even 'excellent'. That is not just me saying it – independent tests are saying it, too.

- In Germany, we already cover 98 percent of all households. With 5G. We built out this network faster than we actually promised.
- The figure is 77 percent in the other European markets.
- And the corresponding figure in the U.S. is over 98 percent.

Another positive aspect is that, for the very first time, mobile spectrum licenses in Germany were not auctioned. They were extended. So instead of paying many billions of euros, we are paying 200 million euros. That is a genuine paradigm shift. We fought hard for this for many years. After all, we prefer to reduce mobile coverage deficits instead of budget deficits.

⁹ Before spectrum

It is important for the new government to make it easier to obtain permits. Network build-out must be of overriding public interest. This means that those concerned should be allowed to express concern, but they should not stop doers from doing.

Let us take a look forward. What will the network of the future look like? How can it become even better?

We are building the first network that becomes smarter the longer it runs. A network that repairs itself and detects problems before customers even notice them. A network that works everywhere. With everything working interconnectedly. Optical fiber. Mobile communications. Satellites. A network of networks. With everything from data centers, from the cloud. Managed using artificial intelligence.

The network of the future is significantly more efficient. And above all: more personal. Oriented to customers' needs. That brings me to my next point:

2. The customer is always the best investment

In 2024, we won countless awards in all markets. For example, our customer service hotline in Germany:

- We solve cases during the first call. 74 percent. Another record amount.
- Waiting times are low. Just over 90 seconds on average.
- We receive fewer complaints. Down 28 percent against the previous year.

Let us take a look forward. When it comes to service, we no longer compare ourselves to competitors operating in our industry. But to the most successful companies in the world. Such as Amazon. Netflix. Apple.

Artificial intelligence is helping to make it work. Two examples:

1. Customers often get in touch because their router is not working at home. This no longer has to be the case. Because we automatically detect faults and automatically eliminate them. Before the customer even notices the fault.
2. Customer service hotline. Our customer service team assists our customers. And logs every call. What was discussed? What was agreed? Now we have artificial intelligence, and it handles the note-taking. Provided the customer consents to this. Everything is documented completely automatically, meaning we are able to concentrate on what is really important – our customers!

The network and service are the foundation of what we offer. But we need more. Which leads me to our third principle:

3. We always offer added extras

We reward loyal customers. For being with us. No catches. No collecting miles. No bonus points. And many of our extras are free of charge.

Two examples:

1. The MeinMagenta app. 15 million people use it. In Europe. And 30 million people in the U.S. There, the app is called T-Life. Users can get additional in-app data allowance for their cell phones. Discounts on purchases. Or they can buy concert tickets via the app. Before they go on general sale.

There is also artificial intelligence at no cost. From the provider Perplexity and built into the MeinMagenta app. Perplexity is not a search engine. It is an answer engine.

Perplexity provides answers to almost all questions. And also cites its sources. Perplexity is also built into the Deutsche Telekom cell phone. The AI phone. After all, we want people to spend less time searching and more time finding.

2. MagentaTV. We are the leading provider of internet TV. The European soccer championships gave us a boost. 311,000 new customers. In Germany. Now, we have around nine million TV customers across Europe.

MagentaTV is a one-stop shop for everything. TV. Streaming providers such as RTL+ or Netflix. All media libraries. With MagentaTV+ on top. Free of charge. With exclusive box sets from the other side of the Atlantic. TV shows produced in-house. With celebrity chef Tim Raue for instance.

Let us take a look ahead. The next step is growth beyond our core business.

One of many examples: Digital payment. Our colleagues in Greece created Payzy. And we are now launching it in other countries. Payzy is an app that allows you to pay using your cell phone.

Of course, there are similar apps on the market. But we are better. Many banks charge their customers for credit cards. Payzy users get money back! One percent of every purchase. Making shopping fun!

Now on to my fourth principle. Because Deutsche Telekom would not be complete without its business customers. They account for around 20 percent of our revenue. Our maxim is this:

4. We make companies strong

T-Systems is particularly important. I am happy we have it. Because digitalization is not a trend. It is a necessity.

- Our economy is under pressure. 'Made in Europe' is showing some cracks. We offer digital solutions to companies and public authorities. To keep them competitive and efficient.
- The world is becoming less secure. We defend the systems of 600 companies against cyberattacks.
- Artificial intelligence is completely changing our industries. But AI only works if it is fed with data. That is where our cloud comes in. The data centers. And this is precisely what T-Systems offers.

The demand is there. Earnings from operations¹⁰ at T-Systems was up in organic terms by 12.3 percent in 2024. To 369 million euros.

The current buzzwords here are: Sovereignty. Independence. For Europe. We've been offering for 20 years what others merely talk about – the sovereign cloud. The data remains in Europe. Operation of the technical solutions remains in Europe. And we offer solutions from a wide range of providers, meaning our customers are not dependent on single companies. This is also sovereignty.

Independence is becoming ever more important. We want to continue growing with T-Systems, in both existing and in new areas. Such as national security. It would be helpful if the state specifically commissioned European companies. As an anchor customer. This would provide security with respect to investments – and a boost for Europe as a center of business.

¹⁰ Adj. EBITDAAL

We follow these principles and use them as a compass for change. Change over the course of the past 30 years has made Deutsche Telekom better. Change will make us strong in the future. But change hurts.

It is unpleasant. That is why it is so important to do the things that we do not really want to do. A bit like exercise. Sometimes, you just have to make the effort. You feel so much better afterwards. Each change trains our muscles. With each change we remove the next obstacle from our path.

I would therefore like to thank all of the Deutsche Telekom employees who are helping shape our change. Thank you for continuing to reinvent yourselves. And Deutsche Telekom. After 30 years!

Our joint mission is: be successful. In the long term. We intend to achieve this. Every individual in the company. But always together. It is important that we have different people in the company. Different skills. Different backgrounds. Different perspectives. This is why we treat each other with respect. That has made us successful over the past 30 years. And that is what will make us successful in the future. Laws change. Markets change. We change. But our culture will remain.

What goes for us as a company also goes for Europe. Europe needs success. And the will to perform. I believe that we have gotten too comfortable. We trusted that our business model would just keep on working. But many things are not working anymore. We must effect change.

What do we need for the industry of the future?

First and foremost: data. It is needed to control robots. It is needed for smart production. It is needed to train artificial intelligence. For this, we need chipsets and data centers. And for this, we need inexpensive energy.

We also need a state that is similarly efficient. I welcome the initiative of Thomas de Maizière and other leading democrats for an empowered state. The goal is to become more efficient. Grow our digital strengths. And establish clear roles in

the public authorities. A state that accelerates rather than stalls. A state that advises rather than impedes. Where the citizens are customers rather than applicants.

Just complaining does not achieve anything. Nor does pointing fingers at politicians or regulators. Calling for action takes silver. But action itself takes gold.

That is why Deutsche Telekom is a company of action! With our DT Capital Partners and T-Capital, we specifically invest in young companies. In all of the areas I have mentioned. For the industry of the future. 5 billion euros as things stand. 2 billion euros of this is going into a new fund. In AI with Perplexity or ElevenLabs. In robotics with Waabi or Dexory. In energy with Marvel Fusion and Accure. In data centers with maincubes or GreenScale.

We want to significantly ramp up our investments in data centers. And join forces with other investors. This is how we build the future.

You see: Deutsche Telekom is successful.

- We are making the best network even better.
- We are investing in our customers.
- We are always offering added extras.
- And we make other companies stronger.

But we are not resting on our laurels. We are looking forward. And we know that not everything was better back then. It certainly was not the case here. We made mistakes. Some investors lost money. There was a spying scandal. Team Telekom got caught doping. Poor service. DSL lines that sometimes arrived after the engineer.

But let us not forget that you sometimes have to fall down in order to get up stronger. Sometimes it is necessary to change direction if you want to become a leader. If you want to change the future, you cannot be afraid of your past. True strength is not about never making mistakes. It is about having a desire to change. But always ensuring a combination of good instincts and a clear head. And that is the true strength of a company that, even after 30 years, says: The best is yet to come! At 30, we are only just getting started!