

CREDIT OPINION

28 October 2024

Update

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RATINGS

Deutsche Telekom AG

Domicile	Bonn, Germany
Long Term Rating	Baa1
Type	Senior Unsecured - Fgn Curr
Outlook	Positive

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Carlos Winzer +34.91.768.8238
Senior Vice President
carlos.winzer@moodys.com

Marcello Bozzetti +39.02.9148.1103
Sr Ratings Associate
marcello.bozzetti@moodys.com

Ivan Palacios +34.91.768.8229
Associate Managing Director
ivan.palacios@moodys.com

Deutsche Telekom AG

Update following outlook change to positive

Summary

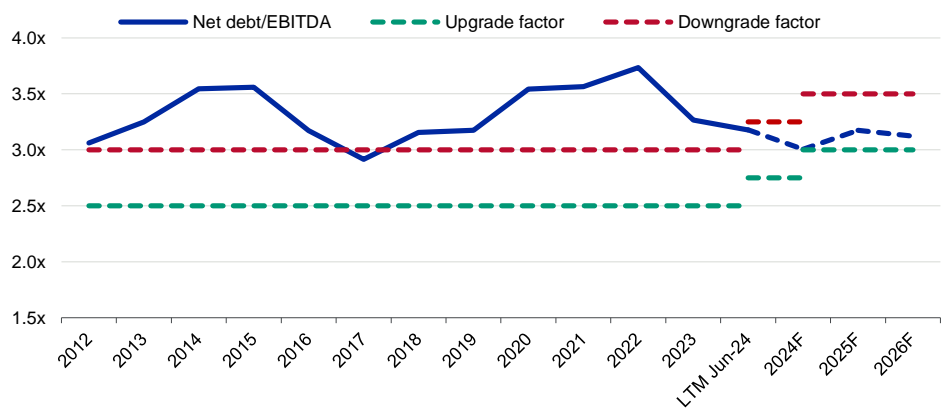
[Deutsche Telekom AG's](#) Baa1 rating reflects the company's large size; geographical diversification; strong market positions; and high capital spending requirements, given the low although increasing fibre coverage in Germany. It also factors in management's financial policy, which includes a maximum leverage level — measured as net debt/EBITDA (as reported by the company) — of 2.75x (equivalent to Moody's-adjusted net leverage of around 3.0x); and its excellent liquidity management.

Given Deutsche Telekom's status as a government-related issuer (GRI), the Baa1 rating benefits from a one-notch uplift stemming from our expectation of support from the [Government of Germany](#) (Aaa stable).

We have recently changed the outlook to positive to reflect our expectation that the company's sustained strong operating performance in both the US and Germany will continue over the 2024-2027 period. We have also factored in the company's track record of execution of a well-crafted strategy, which has improved the company's performance, business and financial profiles and market valuation over the past decade.

Exhibit 1

We expect Deutsche Telekom's Moody's-adjusted net debt/EBITDA to trends towards 3.0x
Evolution of Moody's-adjusted net debt/EBITDA



Given the company's solid track record of operating performance and the improved business risk owing to its sustained increase in scale, we have recently relaxed the thresholds for the current rating category.

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. The forecasts are Moody's opinion and do not represent the views of the issuer.

Periods are financial year-end unless indicated. LTM = Last 12 months.

Sources: *Moody's Financial Metrics™* and *Moody's Ratings forecasts*

Credit strengths

- » Large size and scale, and broad geographical diversification
- » Strong performance of T-Mobile USA
- » Solid track record executing the strategy
- » Excellent liquidity management, with committed credit lines to cover at least two years of debt maturities

Credit challenges

- » Competitive challenges in all its markets
- » Capital spending remains high because of the ongoing need to enhance broadband capacity in a competitive German market.
- » Exposure to cyber security risks and history and frequency of customer data breaches at its US subsidiary

Rating outlook

The positive rating outlook reflects our expectation that the company's sustained strong operating performance in both the US and Germany will continue over the 2024-2027 period, supporting the company's ability to sustain strong free cash flow generation and solid credit metrics.

Factors that could lead to an upgrade

We would consider upgrading Deutsche Telekom's rating to A3 if the group continues to deliver solid and consistent revenue and EBITDA growth, maintains strong liquidity, and strengthens existing credit metrics, in particular:

- » the recently updated management-reported net leverage target of maximum 2.75x (equivalent to Moody's adjusted 3.0x) and free cash flow as a percentage of debt remains above 5%, both on a sustained basis.

Factors that could lead to a downgrade

We could downgrade the rating if large debt-funded acquisitions offset DT's current deleveraging path or if the company engages in aggressive share repurchases that exceed our expectations or if the company's operating environment deteriorates due to competitive or other factors. Credit metrics that could support a downgrade include:

- » Moody's-adjusted net debt/EBITDA ratio exceeding 3.5x on a sustained basis; and
- » Moody's-adjusted RCF/net debt reducing below 18% on a sustainable basis.

A rating downgrade could also happen if the government's equity stake falls below 20% because we may no longer apply the Government-Related Issuers methodology to rate Deutsche Telekom.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

Deutsche Telekom AG

(in € billions)	2019	2020	2021	2022	2023	LTM Jun-24	2024F	2025F	2026F
Revenue	80.5	101.0	107.6	114.2	112.0	113.3	114.3	117.0	119.7
Debt / EBITDA	3.4x	3.9x	3.8x	3.9x	3.4x	3.4x	3.1x	3.3x	3.2x
RCF / Net Debt	24.3%	20.8%	22.7%	22.4%	23.9%	24.0%	24.5%	22.6%	20.9%
(EBITDA - CAPEX) / Interest Expense	3.3x	3.0x	3.0x	2.3x	3.0x	3.3x	3.9x	3.8x	3.8x
Net Debt / EBITDA	3.2x	3.5x	3.6x	3.7x	3.3x	3.2x	3.0x	3.2x	3.1x
RCF / Debt	22.9%	18.9%	21.5%	21.6%	22.8%	22.6%	23.5%	21.7%	20.1%
EBITDA Margin %	33.7%	36.9%	36.9%	34.6%	38.2%	39.4%	41.2%	41.1%	41.2%
EBITA / Interest Expense	4.6x	3.7x	3.7x	3.3x	3.7x	3.9x	4.6x	4.6x	4.6x
FCF / Debt	3.0%	-0.4%	2.6%	4.2%	7.4%	7.7%	8.0%	6.5%	5.6%

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

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The forecasts are Moody's opinion and do not represent the views of the issuer.

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Profile

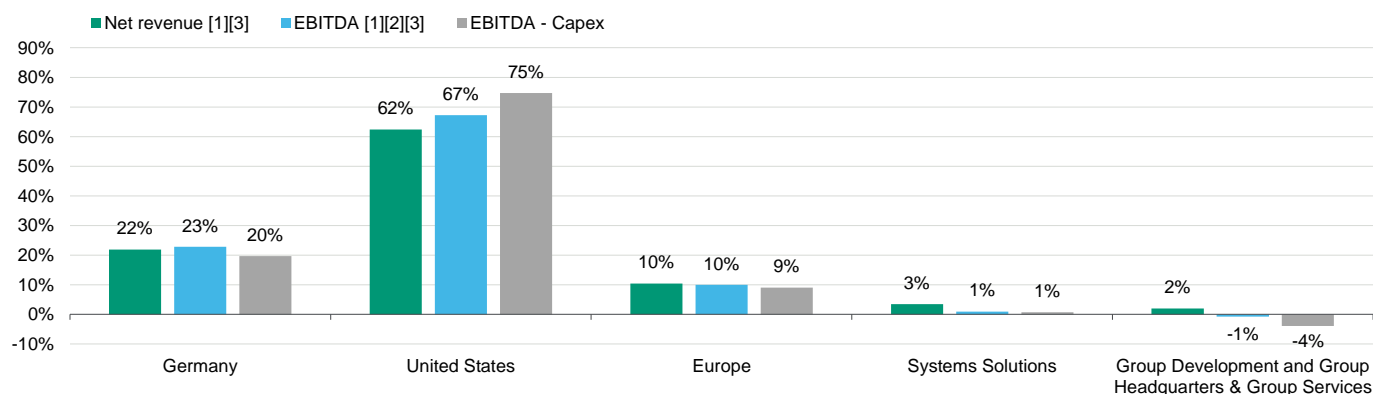
Deutsche Telekom AG is a leading telecoms operator with core businesses in Germany (23% of net revenue), and the US (62% of revenues) through T-Mobile USA. Deutsche Telekom also retains strong market positions in Greece through OTE (Hellenic Telecommunications Organization), and in a number of Central and Eastern European countries.

For the 12 months that ended June 2024, the company generated €113 billion in revenue and reported €48.2 billion in adjusted EBITDA.¹ Deutsche Telekom is 27.8% owned by the German government (13.8% directly and 14.0% through Germany's state-owned development bank [Kreditanstalt für Wiederaufbau](#) [KfW, Aaa stable]).

Exhibit 3

T-Mobile USA generates around two-thirds of consolidated net revenue and EBITDA

Net revenue, EBITDA, and EBITDA minus capex by business unit (for the 12 months that ended June 2024)



[1] According to the management approach.

[2] Earnings before interest, taxes, depreciation and amortisation, adjusted for special factors.

[3] Intersegment revenue and reconciliation excluded from revenue and EBITDA calculations, respectively.

EBITDA AL = EBITDA after leases.

Source: Company filings

Recent developments

On 24 July 2024, T-Mobile USA and KKR announced the establishment of a joint venture to acquire Metronet.² The transaction is expected to close in 2025. T-Mobile is expected to invest around \$4.9 billion to acquire a 50% equity stake in the joint venture. Metronet is expected to be self-funding on a going forward basis and to reach 6.5 million homes passed by the end of 2030.

On 28 May 2024, T-Mobile USA announced that it had agreed to acquire substantially all of UScellular's wireless operations. This includes UScellular's wireless customers and stores, as well as certain specified spectrum assets.³ T-Mobile USA's agreement is to

acquire UScellular's operations and roughly 30% of its spectrum. This will enhance T-Mobile USA's suburban and rural footprints across the middle and western parts of the country and enlarge its overall wireless business. The total \$4.4 billion purchase includes a combination of cash and up to around \$2 billion of assumed debt. T-Mobile expects to close the transaction in mid-2025, pending customary conditions and regulatory approvals.

Detailed credit considerations

Deutsche Telekom's large size, broad geographical diversification and convergent strategy in Europe support its rating

Deutsche Telekom benefits from its large scale and geographical diversification because of its strong market positions in a number of countries.

The key markets for the group are Germany and the US, where it operates in the mobile segment through T-Mobile USA. In the US, the company is gradually shifting from top-line growth to higher profitability and free cash flow (FCF) generation. Together with T-Mobile USA's strong contribution to revenue and EBITDA at the group level, FCF generation has grown over the past three years and now represents more than two-thirds of the consolidated picture.

Deutsche Telekom also has strong market positions in Greece (through OTE), Austria, Croatia, Hungary, North Macedonia, Slovakia, Montenegro, the Czech Republic and Poland, where the company operates in both fixed and mobile segments.

Track record of very solid operating performance and synergy execution at T-Mobile USA

As of 30 June 2024, Deutsche Telekom controlled around 57% of the voting rights in T-Mobile USA. On 10 June 2024, Deutsche Telekom announced the acquisition of 6.7 million T-Mobile USA shares through the exercise of the call option on the company's shares held by [SoftBank Group Corp.](#) (Ba3 stable). The additional shares represent around 0.6% of T-Mobile USA's outstanding shares and, thus, the transaction solidifies Deutsche Telekom's majority stake.

Nevertheless, although Deutsche Telekom will control and consolidate T-Mobile USA, which represents around two third of company's EBITDA, it will not provide parental support. T-Mobile USA is financially independent and self-funded. Please visit [T-Mobile USA](#) for further details.

Positive performance in domestic mobile boosts revenue growth

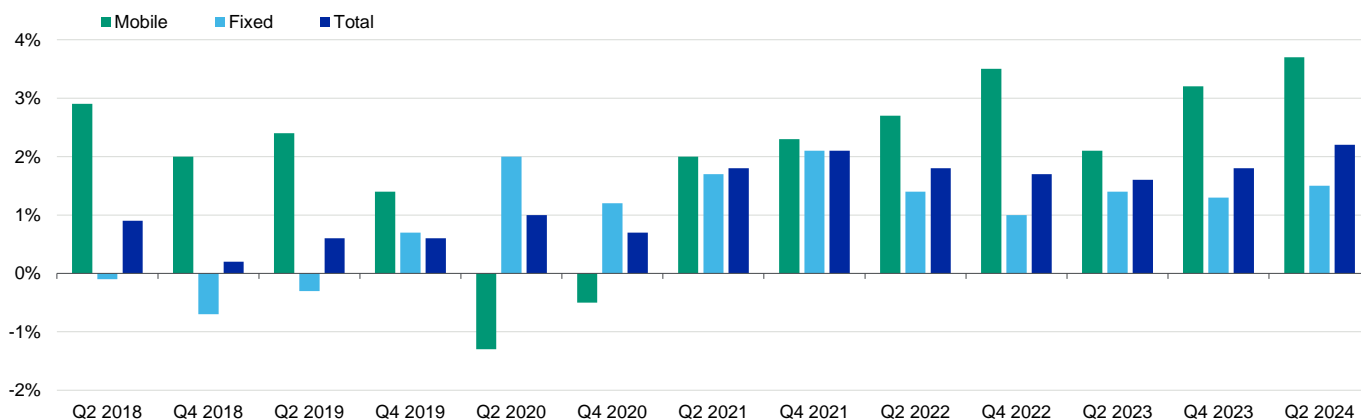
Deutsche Telekom remains the largest telecommunications service provider in Germany, a market exposed to strong competition. The company's main advantages are its brand; network quality; and ability to bundle IP television, mobile and broadband through its MagentaEINS offering.

In the mobile segment, Deutsche Telekom has a strong position, with an estimated service revenue market share of 38% as of March 2024. The company mainly competes with Vodafone and Telefonica Deutschland. The main source of competitive risk is Vodafone because of its convergent offerings, compared with Telefonica Deutschland's predominantly mobile-only offerings.

Deutsche Telekom reported a 2.3% year-over-year increase in revenue in H1 2024, mainly driven by a 3.9% rise in service revenue, particularly on the back of increased fixed network core business and higher mobile service revenue. In organic terms, revenue and service revenue increased by 2.5% and 4.1%, respectively.

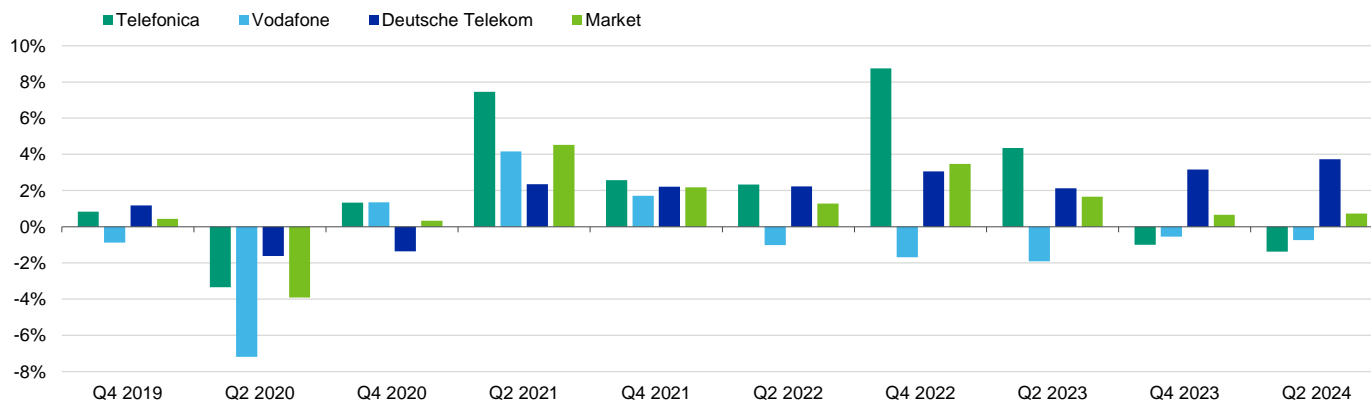
As Exhibit 4 shows, fixed service revenue grew 1.5% year over year in H1 2024. Mobile service revenue grew by 3.7%, recording a constant increase after the contract termination with Lebara, which affected the first half of 2023.

Exhibit 4
Mobile drove service revenue growth over the past few quarters
 Germany: Evolution of Deutsche Telekom's service revenue



Including the IFRS 15 impact from Q1 2019.
 Source: Company filings

Exhibit 5
Deutsche Telekom has grown faster than the market in recent quarters
 Service revenue growth



Market represents the sum of mobile network operators.
 Source: Company filings

The company expects its German service revenue to slightly increase in 2024 and 2025, which — along with efficiency measures — will drive EBITDA AL growth of around 1%-2% in 2024 and in 2025.

Additionally, we expect the group's operating performance in Europe to continue to improve over the next two years, in line with the Capital Markets Day's announced ambition to grow its total service revenue and EBITDA AL excluding the US at compound annual growth rates (CAGR) of 2.5%-3% and 3.0%-4.0%, respectively, by 2027.

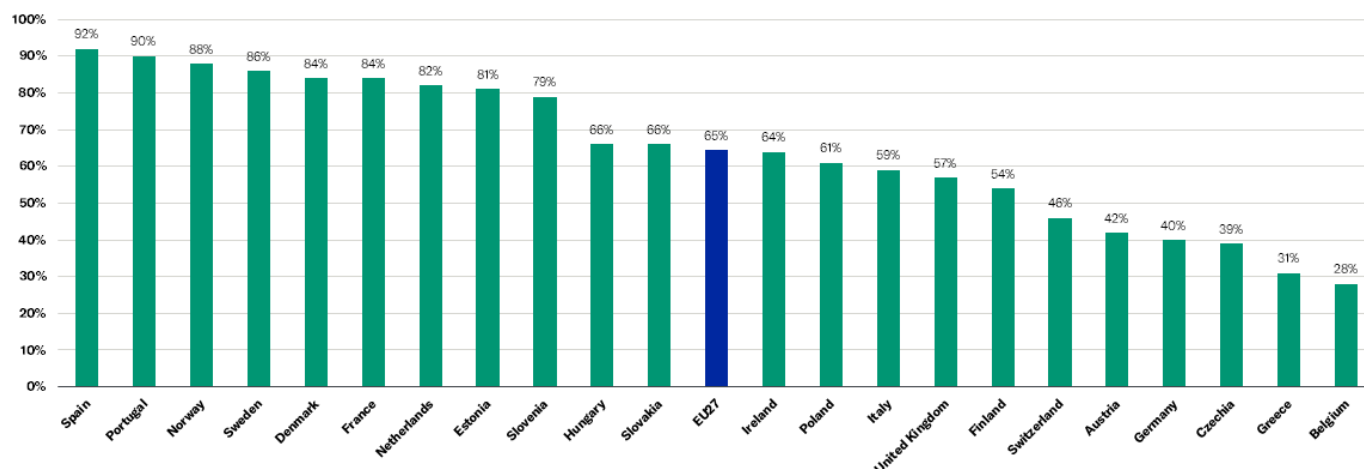
At the group level, we expect a continued improvement in both top line and EBITDA over the next two years because of the ongoing cost control, increased productivity and technology enhancements, growth in the broadband and TV segments, and a recovery in mobile service revenue. Deutsche Telekom is likely to continue to grow its revenue at a CAGR of around 2.5% over 2023-26. We also expect EBITDA AL to grow by a similar rate (2% excluding the US) over the same period.

Continued high capital spending requirements to address increasing demand for faster speeds in fixed-line and mobile networks

Deutsche Telekom is implementing a large capital spending programme to modernise its network to deploy next-generation network technology in Europe and the US. The company's investments in Germany are mainly focused on fibre, as well as vectoring and super-vectoring-enabled very high-speed digital subscriber lines (VDSLs). We acknowledge the need to increase fibre coverage in Germany, which remains below the European average. The increasing focus on enhancing this fibre network is a necessary capital-intensive endeavour that the company is undertaking to bolster its infrastructure and maintain its market position in the long run.

Exhibit 6

Germany, with FTTH coverage of 40%, lags the European average of 65% FTTH coverage by country as of September 2023



Sources: Moody's Ratings and FTTH Council Europe

In Germany, Deutsche Telekom targets to reach 10 million homes with fibre-to-the-home (FTTH) by year-end 2024 from 8.8 million at the end of June 2024 (6.2 million at the end of June 2023), and more than 25 million by 2030, representing roughly 60% of German homes. In the FTTH rollout, Deutsche Telekom will prioritise areas where it has a strong win-back potential. The fibre rollout will also be implemented with co-building, such as its joint venture with [EWE AG](#) (Baa1 stable). 5G network coverage reached 97% of the population in Germany as of the end of June 2024.

In the rest of the European markets, Deutsche Telekom's FTTH target comprises 10 million households with a connection speed of 1 gigabit per second (Gbps) by 2024. FTTH coverage was 37% at the end of June 2024. Coverage on 5G reached 72% as of the same date.

For T-Mobile USA, 5G network coverage reached 87% of the population at the end of June 2024.

Financial policy balances the intention to keep leverage within Capital Markets Day's guidance and continue to enhance shareholder remuneration

DT's financial policy includes a net leverage target — measured as net debt/adjusted EBITDA (as reported by the company) — of 2.75x (equivalent to a Moody's-adjusted net leverage of around 3.0x), as presented during the Capital Markets Day hosted by the company in October 2024. DT also announced (i) group revenue growth ambition through 2027 of 4% CAGR and EBITDA of 4% to 6% CAGR; (ii) the expectation that DT will generate more than €15 billion of cumulative cash flow after investments (capex and spectrum payments); (iii) an increase in the dividend to €0.9 per share, from €0.77 per share paid out in 2023, and (iv) a new €2 billion share buyback programme for 2025.

We expect DT's net leverage, in terms of Moody's-adjusted net debt/EBITDA, to remain between 3.0x and 3.2x between 2024 and 2026. RCF/net debt will reach close to 24.5% in 2024, and will likely decline towards 21%-22% in the coming years due to the higher dividend payments.

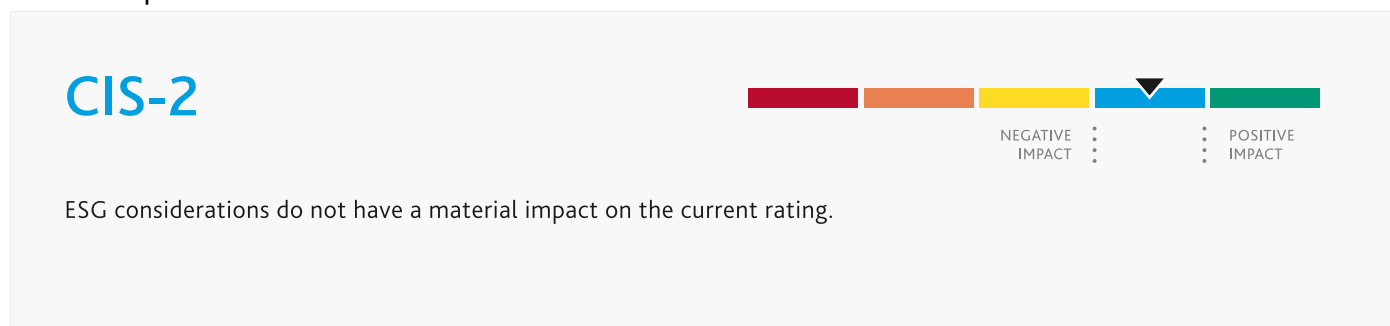
We expect that this net leverage level will be sustained in line with management's financial policy, while the company will use its financial flexibility for shareholder distributions, increasing its equity stake in TMUS and/or making selective acquisitions.

ESG considerations

Deutsche Telekom AG's ESG credit impact score is CIS-2

Exhibit 7

ESG credit impact score

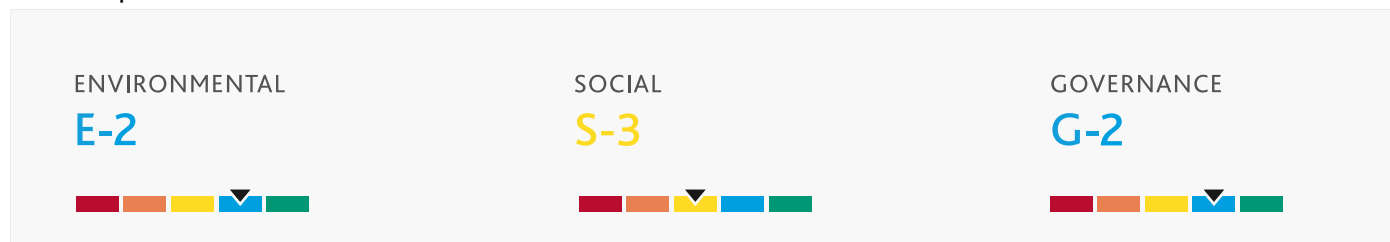


Source: Moody's Ratings

DT's **CIS-2** Credit Impact Score indicates that ESG considerations are not material to the rating. The score reflects the company's conservative financial policy and its limited exposure to environmental and social risks.

Exhibit 8

ESG issuer profile scores



Source: Moody's Ratings

Environmental

Deutsche Telekom's **E-2** is in line with the environmental exposure of the telecommunications industry. The nature of its telecommunications activities, with limited exposure to physical climate risk and very low emissions of pollutants and carbon, results in low environmental risk.

Social

Deutsche Telekom's **S-3** reflects DT's exposure to well entrenched labour unions with rigid employee regulations (around 20% of employee base are civil servants) and changing demographic and societal trends towards the use of telecom services. This is partially mitigated through DT's end products and services, as well as the company's which include DT's ability to adapt its services to cater to its customers' requirements. Data security and data privacy issues are prominent in the sector. The company's collection of sensitive consumer data, exposure to cyber security risks and history and frequency of customer data breaches at its US subsidiary, T-Mobile USA, Inc. could negatively impact customer relations and customer behavior, cause churn to spike and potentially attract increased scrutiny from regulators..

Governance

Deutsche Telekom's **G-2** reflects its track record of maintaining strong risk management strategies and conservative financial policies. Deutsche Telekom is a public company, with the German government being the major shareholder (27.8% total participation, of which

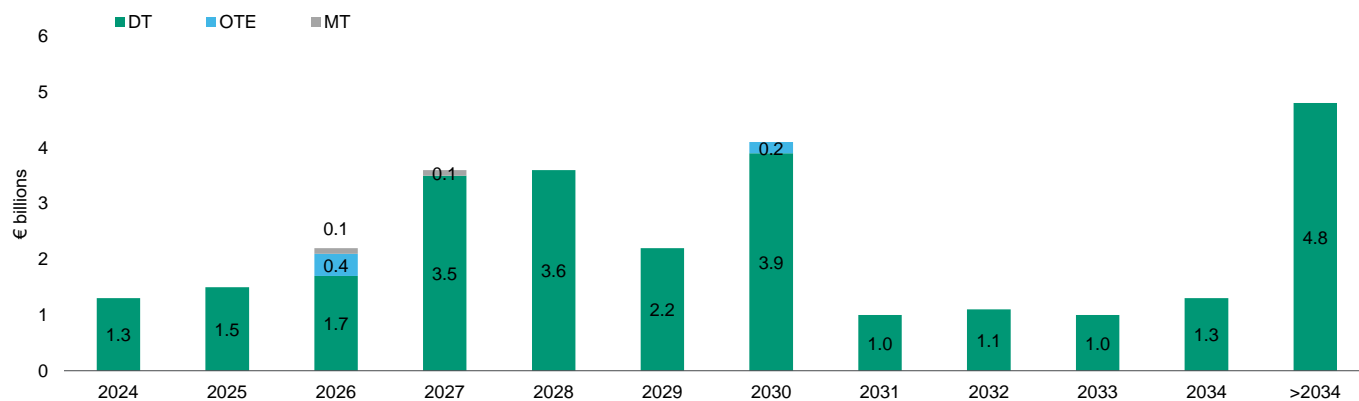
14.0% is through KfW). The company was privatised in 1996, with the government gradually reducing its stake to the current 27.8%. Deutsche Telekom has clearly defined metrics in terms of financial policy, within its defined leverage comfort zone (reported net debt/ EBITDA towards 2.75x), which is shared and approved by the board of directors; and has a strong corporate governance protocols and procedures in place. The company's organizational structure score factors in the fact that DT fully consolidates a number of subsidiaries that are not fully owned, mainly T-Mobile USA, Inc. (50.4% owned), OTE in Greece (52.8%), Hrvatski Telekom in Croatia (53.0%), and Magyar Telekom in Hungary (63.6%).

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

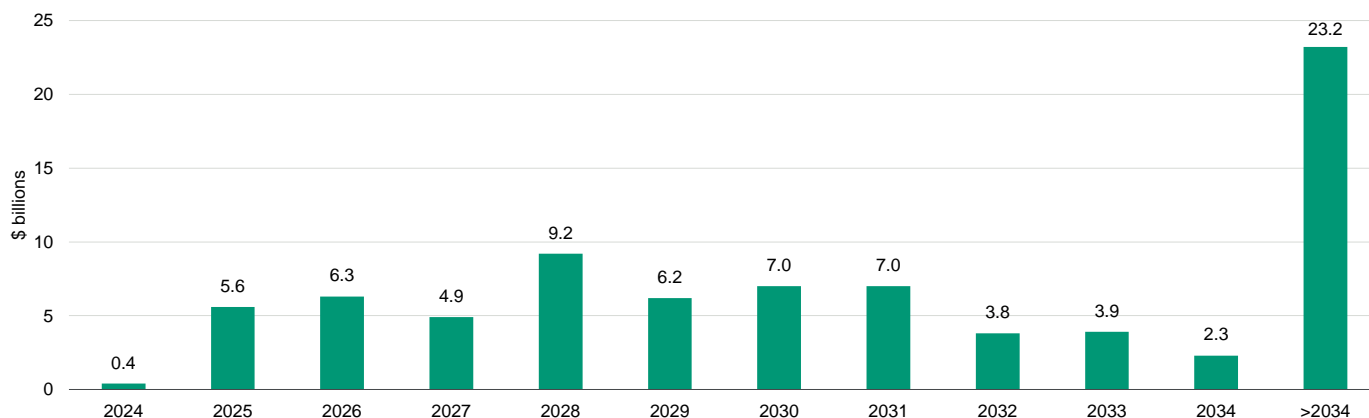
Deutsche Telekom's policy includes maintaining a liquidity reserve that covers debt maturities of at least 24 months. As of June 2024, the company had cash and cash equivalents of €8.5 billion (including T-Mobile USA) and €12.0 billion of bilateral credit facilities (fully undrawn). We expect DT to generate around €10 billion of FCF per annum in 2024 and 2025. Additionally, T-Mobile USA has full availability under its \$7.5 billion revolver maturing in 2027.

Exhibit 9
Deutsche Telekom's liquidity sources cover more than two years of debt maturities
 Deutsche Telekom's (excluding T-Mobile USA) maturity profile as of 30 June 2024



Source: Company filings

Exhibit 10
T-Mobile USA has a balanced maturity schedule, with \$6.0 billion of debt due by 2025
 T-Mobile USA's maturity profile as of 30 September 2024



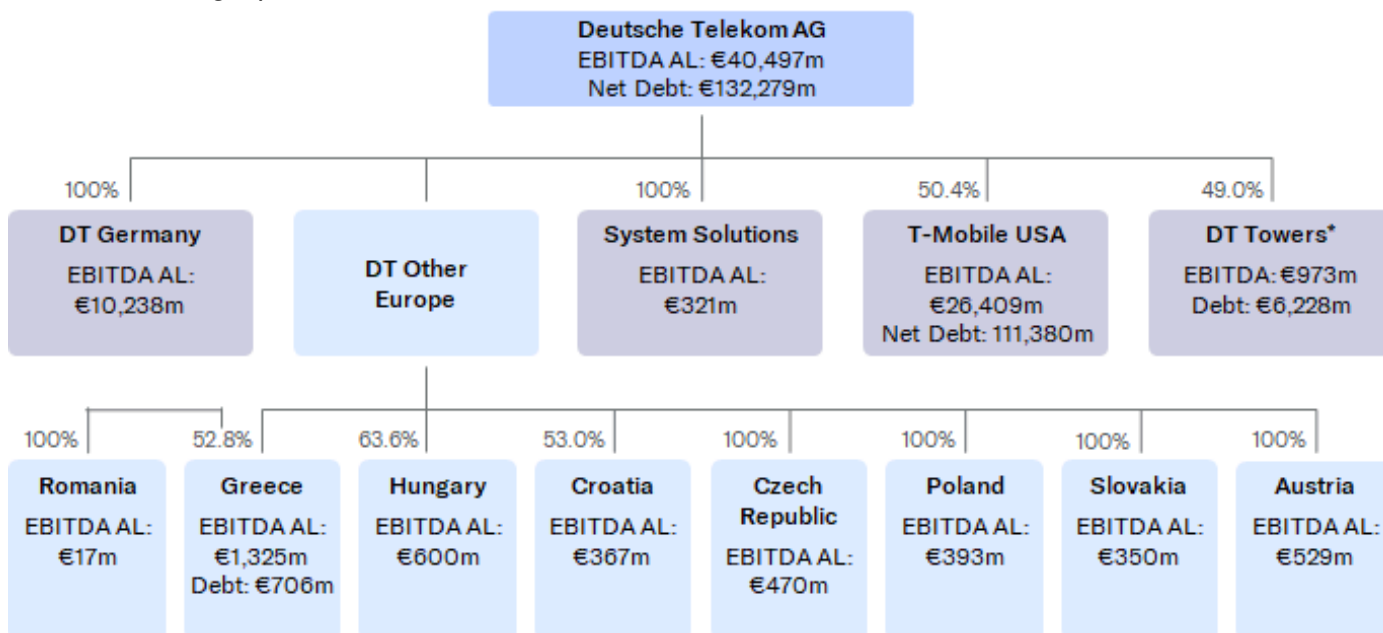
Source: Company filings

Structural considerations

Despite the presence of a significant amount of external debt at the T-Mobile USA level, we have not notched down DT's debt ratings for structural subordination. This is because the credit quality of both Deutsche Telekom and T-Mobile USA are aligned, and DT's creditors mainly rely on the cash flow generated by the company outside the US to service debt at the parent level. In addition, we have factored in management's determination to keep T-Mobile USA as a financially independent, self-funded entity.

Exhibit 11

Deutsche Telekom's group structure



*DT Towers is fully deconsolidated from DT's audited accounts. DT Towers' EBITDA and debt amounts are Moody's Ratings' estimates. The information presented is as reported by the company in its 2023 annual accounts. The T-Mobile USA ownership percentage presented is as reported by the company in its June 2024 quarterly accounts. EBITDA AL is presented adjusted for special factors. Source: Company filings

Methodology and scorecard

The scorecard-indicated outcome based on our 12-18-month forward view for Deutsche Telekom is Baa1. The difference between the Baseline Credit Assessment (BCA) of baa2 and the scorecard-indicated outcome of Baa1 is driven by our expectation that leverage will remain in line with the 2.75x guidance for the current rating, but also reflects that the company is solidly positioned in the rating category.

The scorecard includes gross debt figures for both leverage and coverage credit metrics per the Telecommunications Service Providers rating methodology. Nevertheless, for analytical purposes, we assess and monitor Deutsche Telekom taking into consideration its net debt figures.

We recently lowered Revenue growth and Margin Sustainability to Baa from A to better align the score to the closest peers and reflecting on limited growth prospects in some business lines.

Additionally, for the assessment of Deutsche Telekom, we use the Government-Related Issuers Methodology. Our Baa1 rating for Deutsche Telekom reflects the combination of the following GRI inputs: a BCA of baa2, the Aaa local-currency rating of Germany, low default dependence and the likelihood of the government providing a moderate level of support to the company in the event of need.

Exhibit 12

Rating factors

Deutsche Telekom AG

Telecommunications Service Providers Industry Scorecard	Current LTM Jun-24		Moody's 12-18 month forward view	
	Measure	Score	Measure	Score
Factor 1 : Scale (10%)				
a) Revenue (\$ billions)	122.5	Aaa	125.6 - 132.9	Aaa
Factor 2 : Business Profile (25%)				
a) Competitive Position	Aa	Aa	Aa	Aa
b) Market Share	A	A	A	A
Factor 3 : Profitability and Efficiency (10%)				
a) Revenue and Margin Sustainability	A	A	Baa	Baa
Factor 4 : Leverage and Coverage (40%)				
a) Debt / EBITDA	3.4x	Ba	3.1x - 3.3x	Ba
b) RCF / Net Debt	24.0%	Ba	22.5% - 24.5%	Ba
c) (EBITDA - CAPEX) / Interest Expense	3.3x	Ba	3.8x - 3.9x	Baa
Factor 5 : Financial Policy (15%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Rating:				
a) Scorecard-Indicated Outcome		Baa1		Baa1
b) Actual Rating Assigned				Baa1
Government-Related Issuer	Factor			
a) Baseline Credit Assessment	baa2			
b) Government Local Currency Rating	Aaa			
c) Default Dependence	Low			
d) Support	Moderate			
e) Actual Rating Assigned	Baa1			

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LTM = Last 12 months.

The forecasts are Moody's opinion and do not represent the views of the issuer.

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Appendix

Exhibit 13

Peer comparison
Deutsche Telekom AG

(in \$ billions)	Deutsche Telekom AG		Orange		Verizon Communications Inc.		BT Group Plc		Vodafone Group Plc		AT&T Inc.	
	Baa1 Positive		Baa1 Positive		Baa1 Stable		Baa2 Stable		Baa2 Stable		Baa2 Stable	
	FY Dec-23	LTM Jun-24	FY Dec-23	LTM Jun-24	FY Dec-23	LTM Jun-24	FY Mar-23	FY Mar-24	FY Mar-23	FY Mar-24	FY Dec-23	LTM Jun-24
Revenue	121.1	122.5	47.7	48.3	134.0	134.2	24.9	26.1	39.2	39.8	122.4	122.2
EBITDA margin %	38.2%	39.4%	32.3%	30.8%	38.5%	38.9%	37.0%	37.2%	42.1%	39.2%	42.3%	41.7%
Debt / EBITDA	3.4x	3.4x	3.3x	3.3x	3.4x	3.3x	3.3x	3.5x	4.0x	3.8x	3.6x	3.6x
Net Debt / EBITDA	3.3x	3.2x	2.8x	2.5x	3.4x	3.3x	2.8x	3.1x	3.1x	3.2x	3.5x	3.5x
RCF / Debt	22.8%	22.6%	20.4%	20.6%	16.7%	17.7%	23.6%	22.4%	21.4%	22.2%	18.5%	19.3%
RCF / Net Debt	23.9%	24.0%	24.8%	27.6%	16.9%	18.0%	27.8%	24.9%	28.1%	26.4%	19.2%	19.6%
(EBITDA - Capex) / Interest Expense	3.0x	3.3x	3.4x	3.3x	3.5x	3.5x	1.6x	1.6x	3.2x	2.0x	3.0x	2.9x

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

LTM = Last 12 months.

Source: Moody's Financial Metrics™

Exhibit 14

Moody's-adjusted debt reconciliation
Deutsche Telekom AG

(in € millions)	2019	2020	2021	2022	2023	LTM Jun-24
As reported debt	83,063.0	137,256.0	142,068.0	147,167.0	140,821.0	144,475.0
Pensions	5,831.0	7,684.0	5,059.0	3,977.5	3,880.5	3,880.5
Securitization	-	-	2,198.0	2,287.0	2,169.0	2,169.0
Non-Standard Adjustments	2,624.0	-	-	-	-	-
Moody's-adjusted debt	91,518.0	144,940.0	149,325.0	153,431.5	146,870.5	150,524.5

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

Periods are financial year-end unless indicated. LTM = Last 12 months.

Source: Moody's Financial Metrics™

Exhibit 15

Moody's-adjusted EBITDA reconciliation
Deutsche Telekom AG

(in € millions)	2019	2020	2021	2022	2023	LTM Jun-24
As reported EBITDA	27,857.0	38,014.0	39,834.0	44,373.0	42,683.0	44,582.0
Pensions	(5.0)	(215.0)	(88.0)	35.0	31.0	31.0
Securitization	-	-	-	74.7	68.0	68.0
Interest Expense	(229.0)	(531.0)	-	-	-	-
Unusual Items	(490.0)	-	-	(4,923.0)	-	-
Moody's-adjusted EBITDA	27,133.0	37,268.0	39,746.0	39,559.7	42,782.0	44,681.0

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Source: Moody's Financial Metrics™

Exhibit 16

Overview on select historical and forecast Moody's-adjusted financial data Deutsche Telekom AG

(in € millions)	2019	2020	2021	2022	2023	LTM Jun-24	2024F	2025F	2026F
INCOME STATEMENT									
Revenue	80,531	100,999	107,610	114,197	111,970	113,261	114,270	116,988	119,750
EBITDA	27,133	37,268	39,746	39,560	42,782	44,681	47,027	48,037	49,330
BALANCE SHEET									
Cash & Cash Equivalents	5,363	12,901	7,581	5,680	7,170	8,487	6,000	5,999	6,000
Total Debt	91,518	144,940	149,325	153,432	146,871	150,525	147,329	158,495	160,026
Net Debt	86,155	132,039	141,744	147,752	139,701	142,038	141,329	152,496	154,026
CASH FLOW									
Cash Flow From Operations (CFO)	22,930	24,547	31,459	35,730	37,416	38,446	39,235	39,395	38,532
Capital Expenditures	(16,649)	(22,031)	(24,423)	(25,865)	(22,470)	(21,712)	(22,072)	(22,580)	(23,126)
RCF / Net Debt	24.3%	20.8%	22.7%	22.4%	23.9%	24.0%	24.5%	22.6%	20.9%
Free Cash Flow (FCF)	2,720	(551)	3,891	6,480	10,919	11,648	11,796	10,315	8,906
FCF / Net Debt	3.2%	-0.4%	2.7%	4.4%	7.8%	8.2%	8.3%	6.8%	5.8%
PROFITABILITY									
EBITDA margin %	33.7%	36.9%	36.9%	34.6%	38.2%	39.4%	41.2%	41.1%	41.2%
INTEREST COVERAGE									
(EBITDA - CAPEX) / Interest Expense	3.3x	3.0x	3.0x	2.3x	3.0x	3.3x	3.9x	3.8x	3.8x
LEVERAGE									
Net Debt / EBITDA	3.2x	3.5x	3.6x	3.7x	3.3x	3.2x	3.0x	3.2x	3.1x

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

Periods are financial year-end unless indicated. LTM = Last 12 months.

The forecasts are Moody's opinion and do not represent the views of the issuer.

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Ratings

Exhibit 17

Category	Moody's Rating
DEUTSCHE TELEKOM AG	
Outlook	Positive
Senior Unsecured	Baa1
Commercial Paper	P-2
DEUTSCHE TELEKOM INTERNATIONAL FINANCE B.V.	
Outlook	Positive
Bkd Senior Unsecured	Baa1

Source: Moody's Ratings

Endnotes

- 1 Reported figures per Deutsche Telekom's management view.
- 2 [T-Mobile and KKR Announce Joint Venture to Acquire Metronet and Offer Leading Fiber Solution to More U.S. Consumers.](#)
- 3 [Moody's Ratings says T-Mobile spreads wireless footprint with UScellular operations and spectrum acquisition.](#)

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