

## CREDIT OPINION

24 August 2023

Update



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### RATINGS

#### Deutsche Telekom AG

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

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.

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## Deutsche Telekom AG

### Update to credit analysis

#### Summary

[Deutsche Telekom AG](#)'s Baa1 rating primarily reflects the company's large size and scale; geographical diversification; strong market positions; and high capital spending requirements, given the low fibre coverage in Germany.

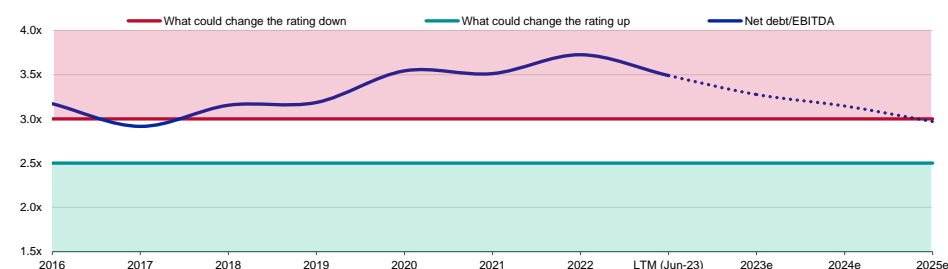
Deutsche Telekom's rating also factors in management's financial policy, which includes a leverage comfort zone of net debt/EBITDA (as reported by the company) between 2.25x and 2.75x (equivalent to Moody's-adjusted net leverage of around 3.0x); leverage reduction after the merger of [T-Mobile USA, Inc.](#) (Baa2 stable) — the group's key growth engine — with Sprint LLC in 2020; 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).

#### Exhibit 1

#### We expect Deutsche Telekom's Moody's-adjusted net debt/EBITDA to move towards 3x by 2025

#### Evolution of Deutsche Telekom's Moody's-adjusted net debt/EBITDA



Source: Moody's Financial Metrics™ and Moody's Investors Service estimates

#### Credit strengths

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

## Credit challenges

- » Net leverage will likely remain close to the high end of the guidance level for the current rating for at least two years.
- » Capex will remain high due to the ongoing need to enhance broadband capacity in a competitive German market.

## Rating outlook

The stable outlook on the rating reflects our view that Deutsche Telekom's rating is well positioned in the Baa1 category because we expect the company to gradually reduce leverage towards management's target level of 2.25x-2.75x by 2024 (equivalent to Moody's-adjusted net leverage of below 3x), combined with improving underlying operating performance.

## Factors that could lead to an upgrade

We would consider upgrading Deutsche Telekom's rating to A3 if the group strengthens its credit metrics on a sustained basis, such that:

- » its retained cash flow (RCF)/Moody's-adjusted net debt exceeds 25% and adjusted total net debt/EBITDA remains below 2.5x, both on a sustained basis, with an improvement in its business profile and operating conditions.

## Factors that could lead to a downgrade

We could downgrade the rating if the company experiences a deterioration in its operating performance, or embarks on an aggressive expansion or acquisition programme, leading to higher financial, business and execution risks, such that its:

- » adjusted net debt/EBITDA exceeds 3.0x, with no expectation of an improvement over a 24-month period
- » adjusted RCF/net debt declines to 18% or less on a sustained basis

The rating could also be downgraded if there is a reduction in the government's equity stake to less than 20%, as we may no longer apply the Government-Related Issuers methodology to rate Deutsche Telekom.

## Key indicators

Exhibit 2

### Deutsche Telekom AG

EUR Millions	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	LTM (Jun-23)	Dec-23 (proj.)	Dec-24 (proj.)
Revenue	75,656	80,531	100,999	108,794	114,197	113,714	111,972	114,676
Debt / EBITDA	3.3x	3.4x	3.9x	3.7x	3.9x	3.7x	3.4x	3.3x
Net Debt / EBITDA	3.2x	3.2x	3.5x	3.5x	3.7x	3.5x	3.3x	3.1x
RCF / Debt	26.3%	22.9%	18.9%	21.4%	21.7%	21.9%	22.3%	24.1%
RCF / Net Debt	27.5%	24.3%	20.8%	22.5%	22.5%	23.2%	23.2%	25.1%
(EBITDA-CAPEX) / Interest Expense	3.1x	3.3x	3.0x	3.1x	2.3x	2.2x	3.4x	3.5x

All figures and ratios are calculated using our estimates and standard adjustments. Periods are financial year-end unless indicated. The projections (proj.) are our opinion and do not represent the views of the issuer.

Source: Moody's Investors Service

## Profile

Deutsche Telekom AG mainly operates in Germany (22% of net revenue in the first half of 2023) and the US (63%), through T-Mobile USA. Deutsche Telekom also retains strong market positions in both the fixed and mobile segments in Greece, through OTE (Hellenic Telecommunications Organization), and in a number of Central and Eastern European countries.

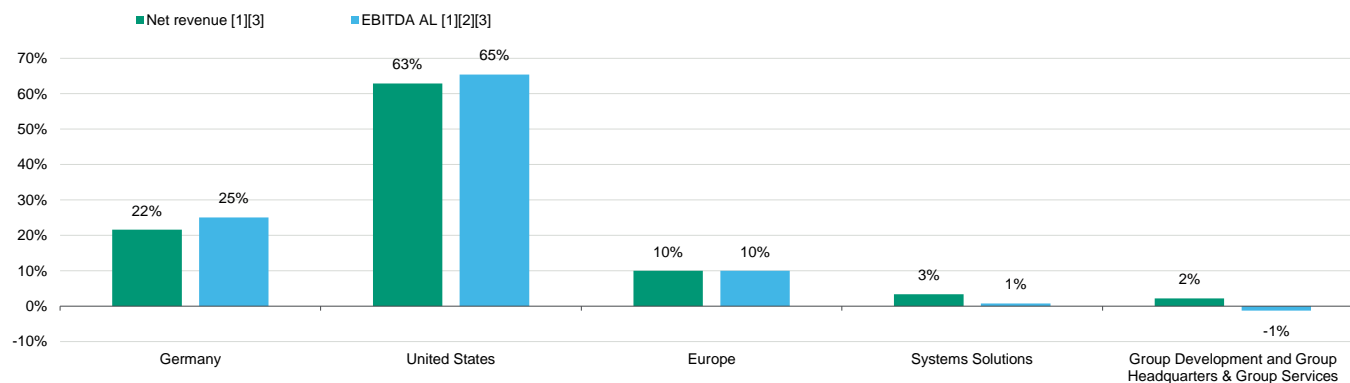
This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

For the 12 months that ended June 2023, the company generated €114 billion in revenue and €46.6 billion in adjusted EBITDA.<sup>1</sup> Deutsche Telekom is 30.4% owned by the German government (13.8% directly and 16.6% through Germany's state-owned development bank [Kreditanstalt für Wiederaufbau](#) [KfW, Aaa stable]).

Exhibit 3

### T-Mobile USA's weight in the group is substantial (around two-thirds of net revenue and EBITDA)

Net revenue and EBITDA by business unit as of the first half of 2023



[1] According to the management approach.

[2] Earnings before interest, taxes, depreciation and amortization after leases, adjusted for special factors.

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

Source: Company

## Recent developments

In July 2022, [Deutsche Telekom agreed to sell a 51% equity stake in GD Towers](#), its towers business in Germany and Austria, to a 50%/50% consortium owned by DigitalBridge and Brookfield. It was sold for an enterprise value (EV) of around €17.5 billion, equivalent to a multiple of 27x EV/pro forma adjusted 2021 EBITDA. The company has used €10.7 billion cash proceeds predominantly for debt reduction (Deutsche Telekom exercised a bond buyback of €3.3 billion in Q1 2023). Overall, the net debt including leases will reduce by around €8 billion (Deutsche Telekom will engage in a leaseback contract for the use of the towers, for an amount of around €5 billion, while at the same time ground leases amounting to EUR 2 billion will be deconsolidated), which will translate into a leverage improvement of around 0.1x-0.2x. The transaction closed in February 2023.

## Detailed credit considerations

### T-Mobile USA's performance and synergy execution are ahead of expectations, but leverage will remain high over the next two years

The merger between T-Mobile USA and Sprint closed in April 2020. Deutsche Telekom holds around 48% of the shares in T-Mobile USA. However, following the share buyback programme announced in September 2022, and considering the treasury shares held by T-Mobile USA, Deutsche Telekom's ownership in T-Mobile USA amounted to 51.3% at the end of June 2023. Additionally, under a proxy agreement reached with [SoftBank Group Corp.](#) (Ba3 negative), Deutsche Telekom controlled 55.1% of the voting rights in the new T-Mobile USA as of the same date.

Nevertheless, although Deutsche Telekom will control and consolidate T-Mobile USA, it will not provide parental support. T-Mobile USA is financially independent and self-funded.

T-Mobile USA's adjusted EBITDA AL increased 4.9% up to €13.1 billion in the first 6 months of 2023, despite the decline in net revenues of 1.4%, explained by drop in equipment revenues. EBITDA AL growth was supported by improved costs from lower devices sold and also lower average cost per device, higher realized Sprint merger related synergies and positive contribution from service revenues which grew 3.9% in the same period, driven by higher postpaid revenues. We expect mid-single digit organic EBITDA growth in 2023 and 2024 mainly underpinned by service revenue evolution and realization of synergies, which we expect to be \$7.5 billion in 2023 and reach full run rate of \$8 billion in 2024, from \$6 billion in 2022.

We expect net leverage to improve because of the slightly positive effect from the sale of GD Towers, which will bring net debt down by around €8 billion (a debt reduction of €10.7 billion from cash proceeds, partly offset by a €3 billion net increase from the sale-and-leaseback agreement), equivalent to around 0.1x-0.2x.

Although Deutsche Telekom's leverage, on a Moody's-adjusted net debt/EBITDA basis, is likely to reach 3.3x this year, exceeding the 3.0x threshold for the Baa1 rating category, the rating reflects our expectation that the company will continue to progressively reduce its leverage towards 3.0x by 2025.

### **The risk of Amazon entering wireless market in the US creates potential headwinds**

Recent articles have drawn attention to the possibility of Amazon entering the competitive wireless industry. While it's unclear at the moment why AT&T Inc., T-Mobile USA and /or Verizon (the big 3 telcos) would choose to lease capacity directly to a deep-pocketed competitor like Amazon, if it becomes clear that one competitor in the market is negotiating with Amazon or any competitor with the scale and know-how of Amazon, there may be pressure on other players to consider the arrangement. With effective execution, a new competitor like Amazon, with different strategic and investment return objectives than the broader wireless industry, could upend the market virtually overnight, producing a leap in competitive intensity.

The US wireless market is highly penetrated and highly mature, with a handful of competitors in a war of attrition to incrementally boost market share. As of December 2022, US wireless market penetration was 115% (when combining postpaid and prepaid subscribers). Under such conditions, market equilibrium is highly dependent on all competitors choosing not to pursue irrational pricing behavior.

T-Mobile USA contributes almost two thirds to Deutsche Telekom consolidated revenues and EBITDA. It is also the highest contributor in terms of free cash flow generation. A decrease in profitability due to pricing pressure would deteriorate cash flow generation and the company's credit profile.

### **Deutsche Telekom's rating is supported by its large size, broad geographical diversification and convergent strategy in Europe**

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, we expect the company to shift gradually from topline growth to higher profitability and higher free cash flow (FCF) generation. Despite T-Mobile USA's strong contribution to revenue and EBITDA at the group level, its impact on FCF generation has been limited historically. However, we expect cash flow generation to improve partially driven by lower capital spending needs.

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.

### **Positive performance in domestic mobile supports revenue growth**

Deutsche Telekom remains the largest telecommunications service provider in Germany, a market subject 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 June 2023. 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.

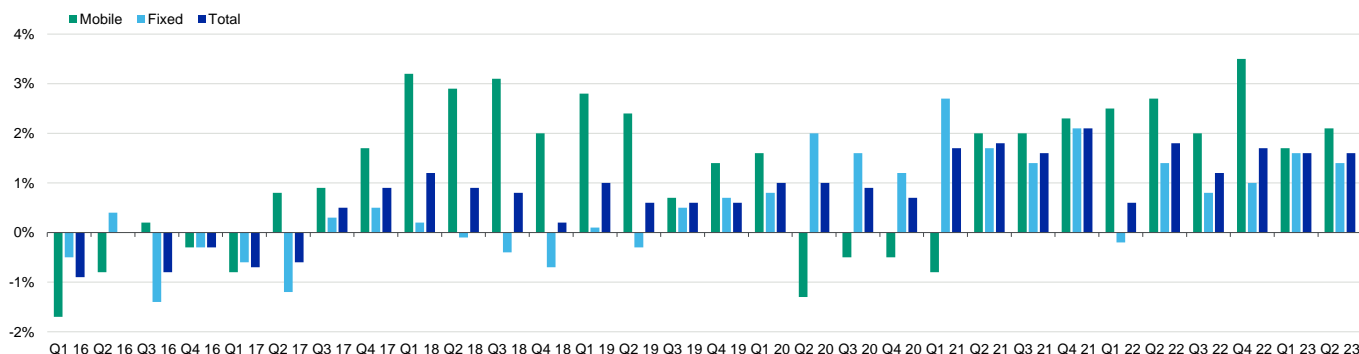
Deutsche Telekom reported a 2.4% year-over-year increase in revenue in the first six months of 2023, mainly driven by a 2.4% rise in service revenue, particularly on the back of increased fixed network core business and also because of higher mobile service revenue. In organic terms, revenue and service revenue increased by 1.7% and 1.6%, respectively.

As Exhibit 4 shows, fixed service revenue grew by 1.4% year over year in the second quarter of 2023. Mobile service revenue grew by 2.1%, lower than the average for previous quarters because of the contract termination with Lebara and mobile termination rates. Higher roaming revenue helped offset these strains.

Exhibit 4

### Domestic mobile service revenue drove service revenue growth over the past few quarters

Germany: Evolution of Deutsche Telekom's service revenue [1]



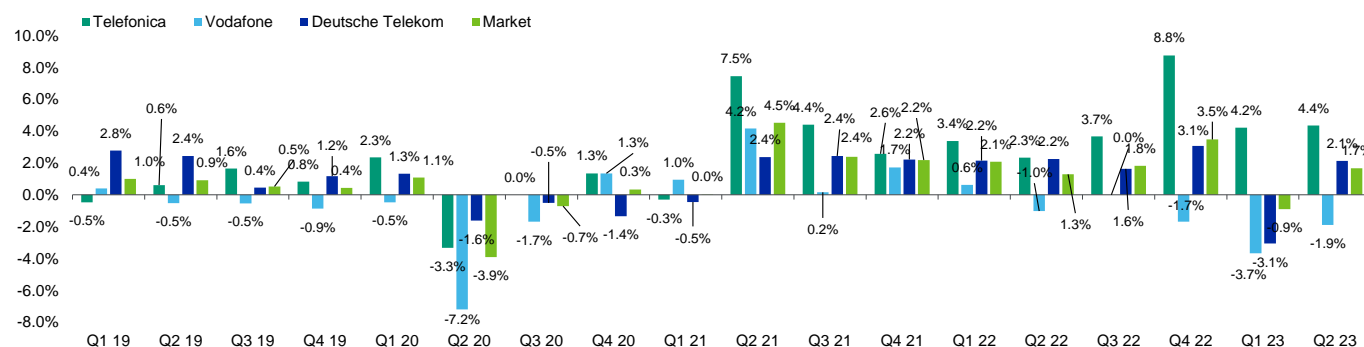
[1] Including the IFRS 15 impact from the first quarter of 2019.

Source: Company

Exhibit 5

### Mobile market was hurt by the pandemic in 2020 but has strongly recovered since then

Service revenue growth



Including the IFRS 15 impact from the first quarter of 2019. Market represents the sum of mobile network operators.

Source: Company

The company expects its German service revenue to slightly increase in 2023 and 2024, which — along with efficiency measures — will drive EBITDAaL (EBITDA after leases) growth of 3.0% in 2023 and increase in 2024.

Additionally, we expect the group's operating performance in Europe to continue to improve over the next two years, in line with the company's announced ambition to grow its European segment's service revenue and EBITDAaL at a compound annual growth rate (CAGR) of more than 1% and 1.5%-2.5%, respectively, by 2024. However, inflation will likely limit its revenue growth. Management remains focused on cost-cutting to mitigate the strain on revenue from roaming and inflation.

At the group level, we expect a continued improvement in both topline 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. We also expect high inflation and energy costs to continue to weigh on margins. Deutsche Telekom's ambition is to grow its revenue at a CAGR of 1%-2% over 2020-24. The company also expects EBITDAaL growth of 3%-5% (2%-3%, excluding the US) over the same period, driven mainly by topline growth, synergy execution in the US and total cost savings of €1.2 billion.

### 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 VDSL lines.

In Germany, Deutsche Telekom targets to reach 10 million homes with fibre-to-the-home (FTTH) by 2024 from 6.2 million at the end-June 2023, and more than 25 million by 2030. In the FTTH rollout, priority will be given to areas where there is a strong win-back potential for Deutsche Telekom. The fibre rollout will also be implemented with co-building, such as its joint venture with [EWE AG](#) (Baa1 stable). 5G network coverage reached 95% of the population in Germany as of the end of June 2023.

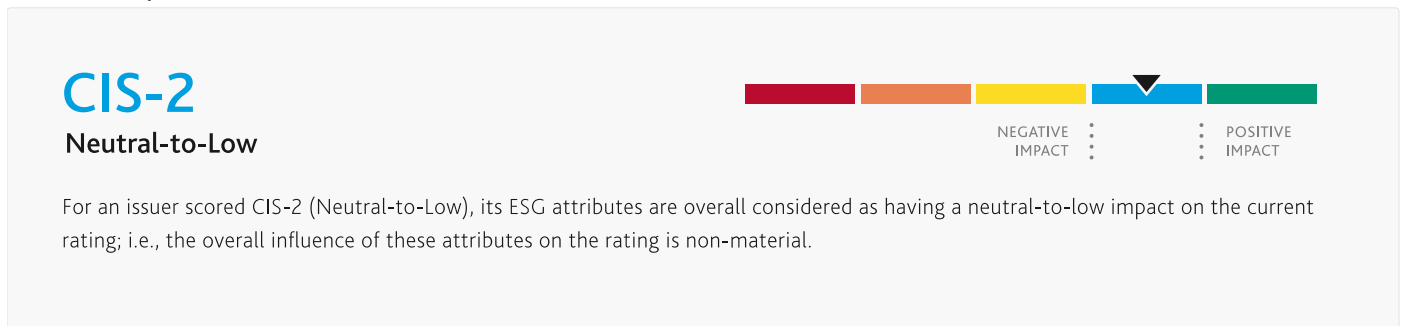
In the rest of European markets, Deutsche Telekom's FTTH target aims for 10 million households with a connection speed of 1 gigabits per second (gbps) by 2024. FTTH Coverage was 33% at the end of June 2023. Coverage on 5G reached 59% as of the same date.

In T-Mobile US, 5G network coverage reached 98% of the population at the end of June 2023.

**ESG considerations**

**Deutsche Telekom AG's ESG Credit Impact Score is CIS-2**

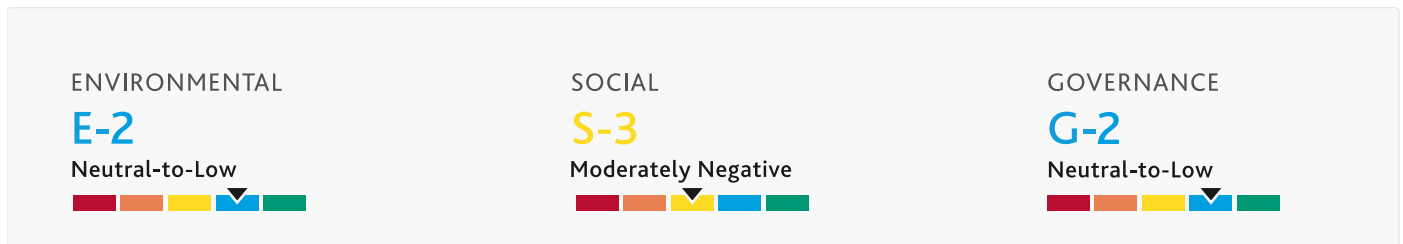
Exhibit 6  
ESG Credit Impact Score



Source: Moody's Investors Service

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 7  
ESG Issuer Profile Scores



Source: Moody's Investors Service

**Environmental**

Deutsche Telekom's **E-2** is driven by its low exposure to environmental risks and in line with the overall industry DT is mostly focused on energy efficient projects to reduce energy consumption and increasingly rely on renewable sources.

**Social**

Deutsche Telekom's **S-3** reflects moderate social risks, as it faces 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 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 (30.4% total participation, of which 16.6% through KfW). The company was privatised in 1996, with the government gradually reducing its stake to the current 30.4%. Deutsche Telekom has clearly defined metrics in terms of financial policy, within its defined leverage comfort zone (reported net debt/EBITDA in the 2.25x-2.75x range); and has a strong corporate governance protocols and procedures in place. The company's organizational structure factors in the full consolidation of T-Mobile USA, Inc., which is 51.3% owned, as well as its 49% stake in GD Towers, which is highly levered but not consolidated in DT's accounts.

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.

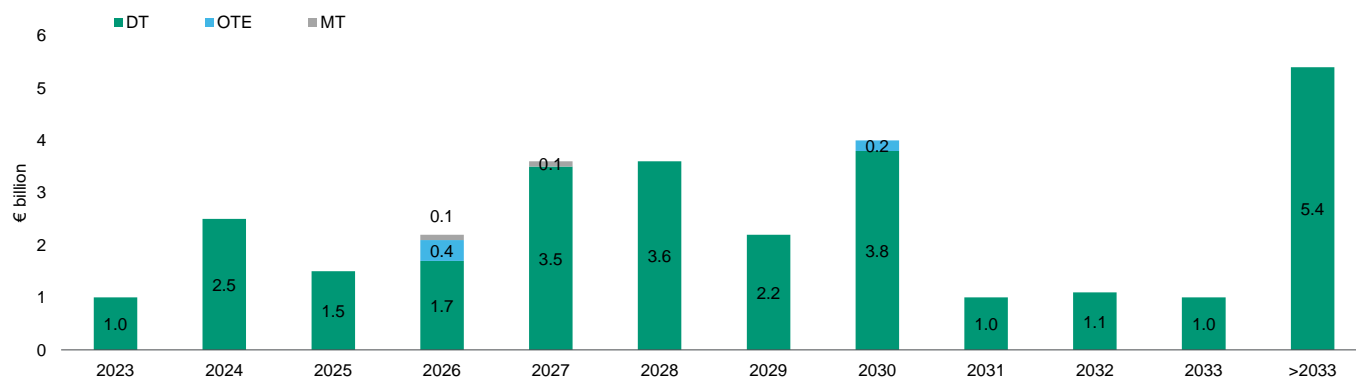
### Liquidity analysis

Deutsche Telekom's policy includes maintaining a liquidity reserve that covers debt maturities of at least 24 months. As of June 2023, the company had cash and cash equivalents of €8.7 billion (including T-Mobile USA) and €12.0 billion of bilateral credit facilities (fully undrawn). Additionally, T-Mobile USA has full availability under its \$7.5 billion revolver maturing in 2027.

Exhibit 8

#### Deutsche Telekom's liquidity sources cover more than two years of debt maturities

Deutsche Telekom's (excluding T-Mobile USA) maturity profile as of June 2023

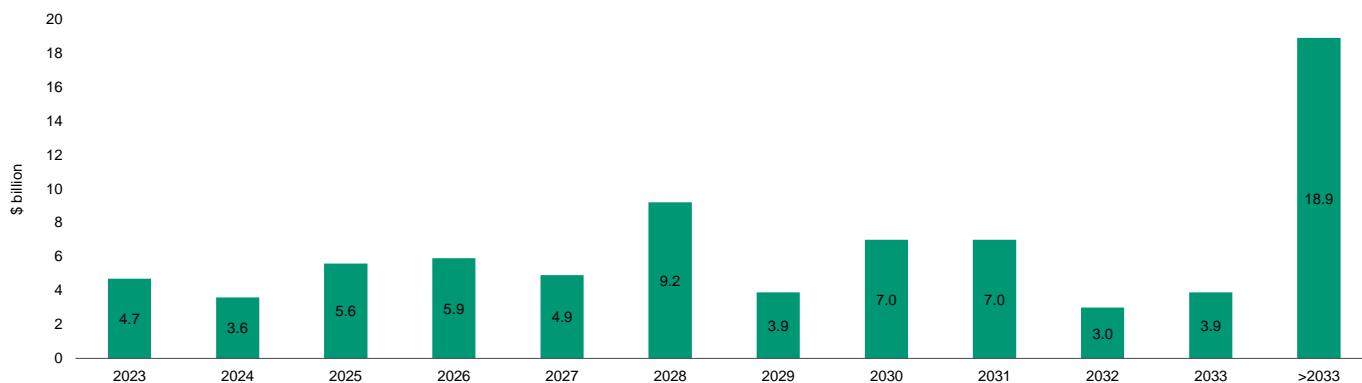


Source: Company

Exhibit 9

#### T-Mobile USA has a balanced maturity schedule, with \$4.7 billion of debt due in 2023

T-Mobile USA's maturity profile as of June 2023



Source: Company

## Structural considerations

Despite the increase in the percentage of external debt at the US operating company level after the US merger, we have not notched down the ratings for structural subordination. This is because Deutsche Telekom'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.

## 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 explained by our expectation that leverage will remain above the guidance for the current rating for a relatively long period.

The scorecard includes gross debt figures for both leverage and coverage credit metrics per the [Telecommunications Service Providers](#) rating methodology, published in September 2022. Nevertheless, for analytical purposes, we assess and monitor Deutsche Telekom, taking into consideration its net debt figures. Additionally, for the assessment of Deutsche Telekom, we use the [Government-Related Issuers Methodology](#), published in February 2020.

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 10

### Rating factors

#### Deutsche Telekom AG

	Current LTM 6/30/2023		Moody's 12-18 Month Forward View As of 8/24/2023 [3]	
Telecommunications Service Providers Industry Scorecard [1][2]	Measure	Score	Measure	Score
<b>Factor 1 : Scale (12.5%)</b>				
a) Revenue (USD Billion)	\$119.1	Aaa	\$122-\$125	Aaa
<b>Factor 2 : Business Profile (27.5%)</b>				
a) Business Model, Competitive Environment and Technical Positioning	Aa	Aa	Aa	Aa
b) Regulatory Environment	Baa	Baa	Baa	Baa
c) Market Share	A	A	A	A
<b>Factor 3 : Profitability and Efficiency (10%)</b>				
a) Revenue Trend and Margin Sustainability	A	A	A	A
<b>Factor 4 : Leverage and Coverage (35%)</b>				
a) Debt / EBITDA	3.7x	Ba	3.4x-3.3x	Ba
b) RCF / Debt	22.4%	Ba	22.3%-24.1%	Ba
c) (EBITDA - CAPEX) / Interest Expense	2.2x	Ba	3.4x-3.5x	Ba
<b>Factor 5 : Financial Policy (15%)</b>				
a) Financial Policy	Baa	Baa	Baa	Baa
<b>Rating:</b>				
a) Scorecard-Indicated Outcome		Baa1		Baa1
b) Actual Rating Assigned				Baa1
<b>Government-Related Issuer</b>	<b>Factor</b>			
a) Baseline Credit Assessment	baa2			
b) Government Local Currency Rating	Aaa			
c) Default Dependence	Low			
d) Support	Moderate			
e) Actual Rating Assigned	Baa1			

[1] All ratios are based on adjusted financial data and incorporate our Global Standard Adjustments for Non-Financial Corporations.

[2] As of LTM 6/30/2023. LTM = Last 12 months.

[3] This represents our forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.

Source: Moody's Financial Metrics™ and Moody's Investors Service estimates



## Ratings

Exhibit 11

Category	Moody's Rating
<b>DEUTSCHE TELEKOM AG</b>	
Outlook	Stable
Senior Unsecured	Baa1
Commercial Paper	P-2
<b>DEUTSCHE TELEKOM INTERNATIONAL FINANCE B.V.</b>	
Outlook	Stable
Bkd Senior Unsecured	Baa1

Source: Moody's Investors Service

## Appendix

Exhibit 12

### Peer comparison Deutsche Telekom AG

(in USD million)	Deutsche Telekom AG Baa1 Stable			Orange Baa1 Positive			BT Group Plc Baa2 Stable			Vodafone Group Plc Baa2 Stable			Telefonica S.A. Baa3 Stable		
	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	FYE	FYE	FYE	FYE	FYE	LTM	
	Dec-21	Dec-22	Jun-23	Dec-21	Dec-22	Jun-23	Mar-21	Mar-22	Mar-23	Mar-21	Mar-22	Mar-23	Dec-21	Dec-22	Jun-23
Revenue	127,320	120,356	119,084	50,310	45,816	45,784	27,894	28,492	24,935	51,116	52,992	47,606	46,471	42,150	42,644
EBITDA margin %	36.9%	34.6%	35.9%	33.0%	33.7%	33.1%	34.6%	36.4%	37.0%	43.4%	43.6%	42.1%	32.3%	31.2%	30.2%
Debt / EBITDA	3.8x	3.9x	3.7x	3.3x	3.3x	3.4x	3.7x	3.0x	3.3x	3.6x	3.4x	3.3x	4.3x	4.1x	4.1x
Net Debt / EBITDA	3.6x	3.7x	3.5x	2.6x	2.6x	2.7x	3.1x	2.5x	2.8x	3.1x	2.8x	2.5x	3.6x	3.5x	3.5x
RCF / Debt	21.5%	21.7%	21.9%	19.3%	19.5%	18.8%	21.7%	28.6%	23.6%	20.1%	21.3%	21.3%	12.8%	19.5%	18.7%
RCF / Net Debt	22.7%	22.5%	23.2%	25.2%	25.0%	23.3%	26.1%	33.7%	27.8%	23.2%	25.8%	28.0%	15.2%	22.7%	21.9%
(EBITDA - CAPEX) / Interest Expense	3.0x	2.3x	2.2x	3.4x	4.2x	3.0x	3.0x	2.5x	1.6x	3.7x	3.9x	4.1x	3.4x	2.4x	2.0x

All figures and ratios are calculated using our estimates and standard adjustments. FYE = Financial year-end. LTM = Last 12 months.

Source: Moody's Financial Metrics™

Exhibit 13

### Moody's-adjusted debt reconciliation Deutsche Telekom AG

(in EUR million)	FYE	FYE	FYE	FYE	FYE	LTM
	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Jun-23
<b>As Reported Total Debt</b>	<b>59,589</b>	<b>83,063</b>	<b>137,256</b>	<b>142,068</b>	<b>147,167</b>	<b>147,113</b>
Pensions	5,502	5,831	7,684	5,059	3,978	3,978
Leases	15,534	0	0	0	0	0
Securitization	0	0	0	2,198	1,629	0
Non-Standard Public Adjustments	3,194	2,624	0	0	0	0
<b>Moody's Adjusted Total Debt</b>	<b>83,819</b>	<b>91,518</b>	<b>144,940</b>	<b>149,325</b>	<b>152,774</b>	<b>151,091</b>

All figures and ratios are calculated using our estimates and standard adjustments. FYE = Financial year-end.

Source: Moody's Financial Metrics™

Exhibit 14

### Moody's-adjusted EBITDA reconciliation Deutsche Telekom AG

	FYE	FYE	FYE	FYE	FYE	LTM
(in EUR million)	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Jun-23
<b>As Reported EBITDA</b>	<b>21,260</b>	<b>27,857</b>	<b>38,014</b>	<b>39,834</b>	<b>44,373</b>	<b>43,033</b>
Unusual Items - Income Statement	(60)	(490)	0	0	(4,923)	(2,235)
Pensions	(40)	(5)	(215)	(88)	35	35
Non-Standard Public Adjustments	529	(87)	0	0	0	0
Interest Expense - Discounting	(178)	(229)	(531)	0	0	0
<b>Moody's Adjusted EBITDA</b>	<b>24,882</b>	<b>27,133</b>	<b>37,268</b>	<b>39,746</b>	<b>39,485</b>	<b>40,833</b>

All figures and ratios are calculated using our estimates and standard adjustments. FYE = Financial year-end.

Source: Moody's Financial Metrics™

Exhibit 15

### Summary financials Deutsche Telekom AG

	FYE	FYE	FYE	FYE	FYE	FYE	FYE
(in EUR million)	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23 (proj.)	Dec-24 (proj.)
<b>INCOME STATEMENT</b>							
Revenue	75,656	80,531	100,999	107,610	114,197	111,972	114,676
EBITDA	24,882	27,133	37,268	39,746	39,485	44,940	47,063
<b>BALANCE SHEET</b>							
Cash & Cash Equivalents	3,667	5,363	12,901	7,581	5,680	6,000	6,000
Total Debt	83,819	91,518	144,940	149,325	152,774	153,194	154,044
Net Debt	80,152	86,155	132,039	141,744	147,094	147,194	148,044
<b>CASH FLOW</b>							
Cash Flow From Operations (CFO)	23,453	22,930	24,547	31,459	36,388	37,478	40,415
Capital Expenditures	(15,102)	(16,649)	(22,031)	(24,423)	(25,865)	(23,535)	(23,420)
RCF / Net Debt	27.5%	24.3%	20.8%	22.7%	22.5%	23.2%	25.1%
Free Cash Flow (FCF)	5,097	2,720	(551)	3,891	7,138	10,160	12,856
FCF / Net Debt	6.4%	3.2%	-0.4%	2.7%	4.9%	6.9%	8.7%
<b>PROFITABILITY</b>							
EBITDA margin %	32.9%	33.7%	36.9%	36.9%	34.6%	40.1%	41.0%
<b>INTEREST COVERAGE</b>							
(EBITDA - CAPEX) / Interest Expense	3.2x	3.3x	3.0x	3.0x	2.3x	3.4x	3.5x
<b>LEVERAGE</b>							
Net Debt / EBITDA	3.2x	3.2x	3.5x	3.6x	3.7x	3.3x	3.1x

Source: Moody's Financial Metrics™ and Moody's Investors Service estimates

## Endnotes

1 Reported figures per Deutsche Telekom's management view.

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