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**DEUTSCHE TELEKOM**

BOND INVESTOR  
INFORMATION

FEBRUARY 2020



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# DISCLAIMER

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# FINANCIALS: GROWTH IN ALL METRICS

€ mn

	Q4			FY		
	2018	2019	Change	2018	2019	Change
Revenue	20,261	21,361	+5.4%	75,656	80,531	+6.4%
Adj. EBITDA AL <sup>1</sup>	5,573	6,030	+8.2%	23,074	24,731	+7.2%
Adj. EBITDA AL (excl. US) <sup>1</sup>	3,037	3,320	+9.3%	12,990	13,597	+4.7%
Adj. Net profit	796	1,016	+27.6%	4,545	4,948	+8.9%
Net profit	-431	+654	n.a.	2,166	3,867	+78.5%
Adj. EPS (in €)	0.17	0.21	+23.5%	0.96	1.04	+8.3%
Free cash flow AL <sup>1,3</sup>	1,438	1,763	+22.6%	6,051	7,013	+15.9%
Cash capex <sup>2</sup>	3,080	3,075	-0.2%	12,222	13,118	+7.3%
Net debt <sup>1</sup>	n.a.	76,031	n.a.	n.a.	76,031	n.a.
Net debt AL <sup>1</sup>	54,732	58,248	+6.4%	54,732	58,248	+6.4%

1) Adj. EBITDA AL Net debt AL and FCF AL historic results not audited. Net debt after IFRS 16, no corresponding figure available for 2018 2) Excl. Spectrum: Q4/18: € 62 mn; Q4/19: € 75 mn. FY/18: € 269 mn, 9M/19: € 1,239 mn

3) Free cash flow AL before dividend payments and spectrum investment



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# FINANCIALS: DEBT RATIO BACK IN COMFORT ZONE

€bn

	31/12/2018	31/03/2019	30/06/2019	30/09/2019	31/12/2019
Balance sheet total <sup>1</sup>	145.4	165.5	164.2	174.3	170.7
Shareholders' equity <sup>1</sup>	43.4	42.8	42.7	45.1	46.2
Net debt <sup>1</sup>	55.4	71.9	75.7	78.8	76.0
Net debt/adj. EBITDA <sup>2</sup>	2.4	2.65	2.74	2.80	2.65
Equity ratio	29.9%	25.8%	26.0%	25.9%	27.1%

## Comfort zone ratios

Rating: A-/BBB	●
2.25 – 2.75 net debt/Adj. EBITDA <sup>2</sup>	●
25 – 35% equity ratio	●
Liquidity reserve covers redemption of the next 24 months	●

## Current rating

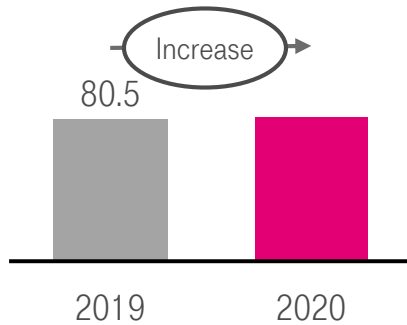
Fitch:	<b>BBB+</b>	stable outlook
Moody's: <sup>3</sup>	<b>Baa1</b>	negative outlook
S&P: <sup>3</sup>	<b>BBB+</b>	CreditWatch negative

1) Values for 2018 based on old accounting standard. As of Q1/19 according to IFRS 16. 2) Ratios for the interim quarters calculated on the basis of previous 4 quarters. Comfort zone ratio increased from 2-2.5 previously to 2.25. – 2.75 following change to IFRS 16 in Q1/19. 3) Outlook changed end of April 18, following the announced merger of TM US and Sprint. Previous outlook was "stable".

# 2020 GUIDANCE: MAINTAINING MOMENTUM

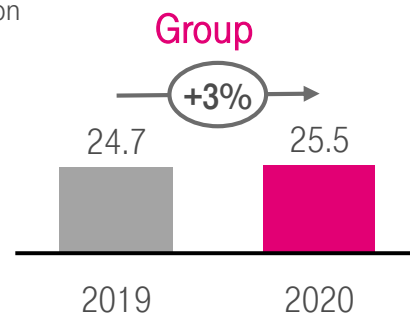
## Revenue

€ bn

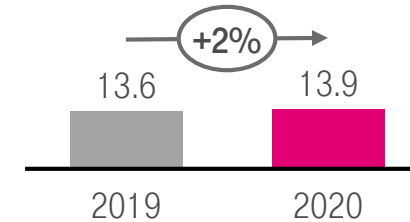


## ADJ. EBITDA AL

€ bn

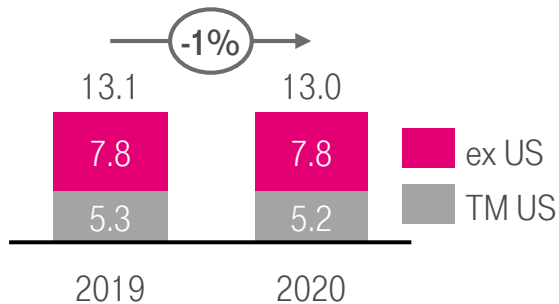


## Ex US



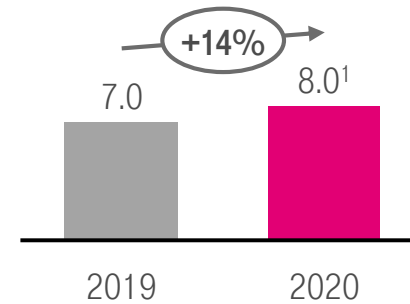
## Cash Capex

€ bn



## FCF AL

€ bn



Based on € 1 = US\$ 1.12.

TM US EBITDA at midpoint of US\$ US GAAP guidance of US\$ 13.85bn

Including the US GAAP IFRS bridge of US\$ 0.85bn this equals € 11.6bn.

1) Before cash outs for zero bond and TM US forward swap

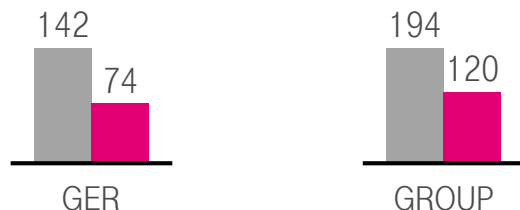


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# ESG: BEING SUSTAINABLE

## Energy intensity<sup>1</sup>

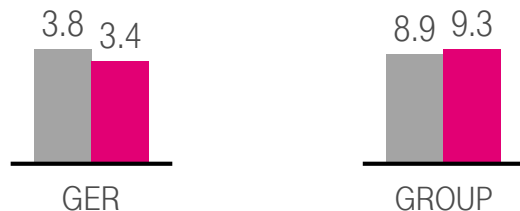
kWh/TB



- More efficient technologies

## Energy consumption

mn MWh



- Benefits from All-IP migration in GER

## DT's climate strategy

- 100% renewables from 2021
- 90% less CO<sub>2</sub>e<sup>2</sup> by 2030
- 25% lower value chain emissions per customer by 2030
- Targets certified by SBTi<sup>3</sup>

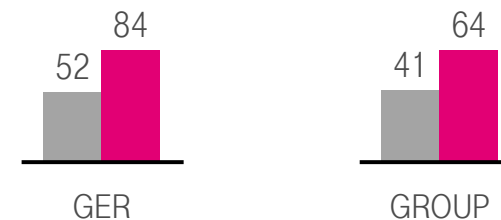
## Further ESG measures (examples)

- >80% of procurement volume reviewed according to ESG criteria
- Multiple initiatives on responsible digitization, data privacy & security, digital literacy



## Share of renewable Energy

%



- Significant EBITDA investment

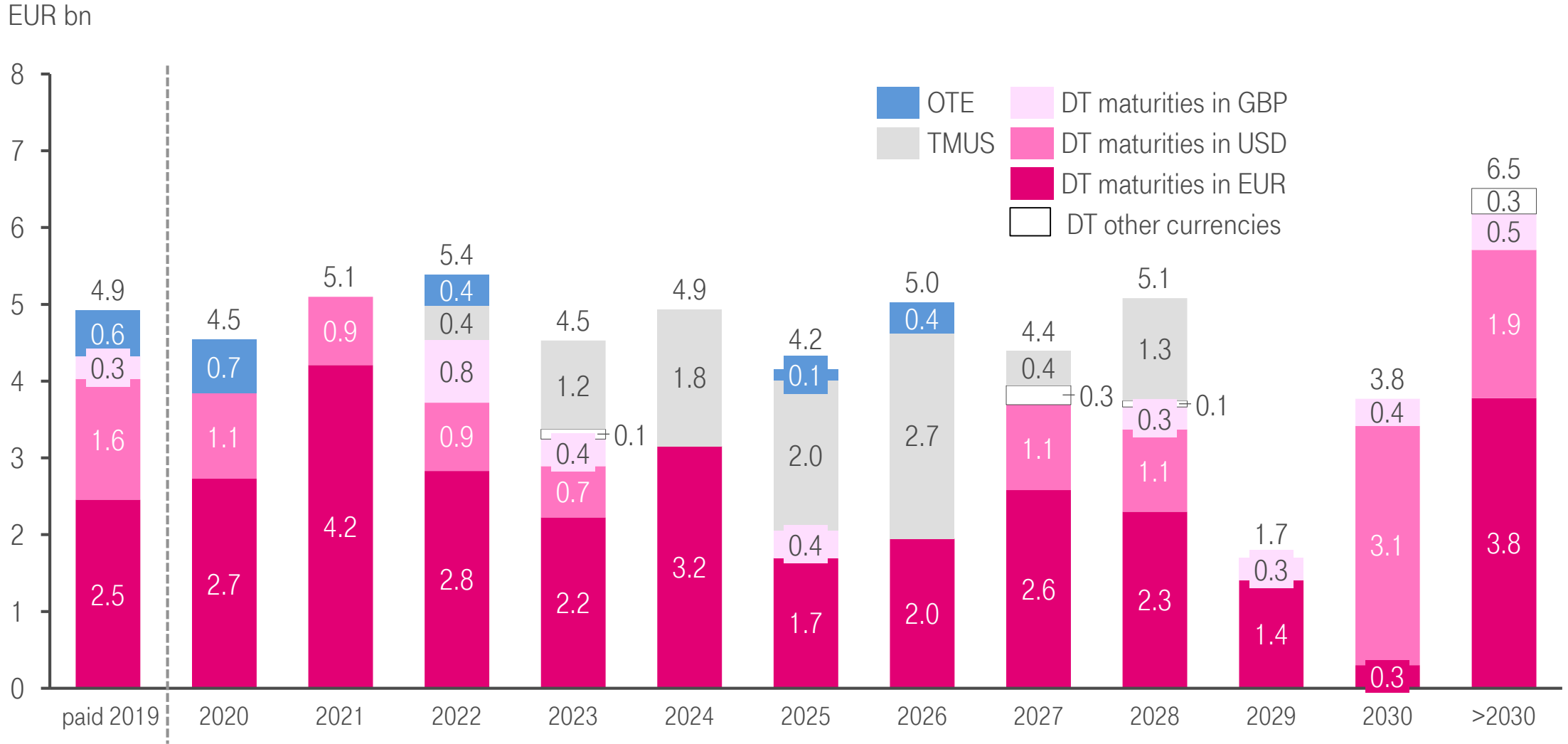
## Success in ESG ratings



1) Excluding international T-Systems units    2) Scope 1+2    3) Science Based Targets initiative

2017    2019

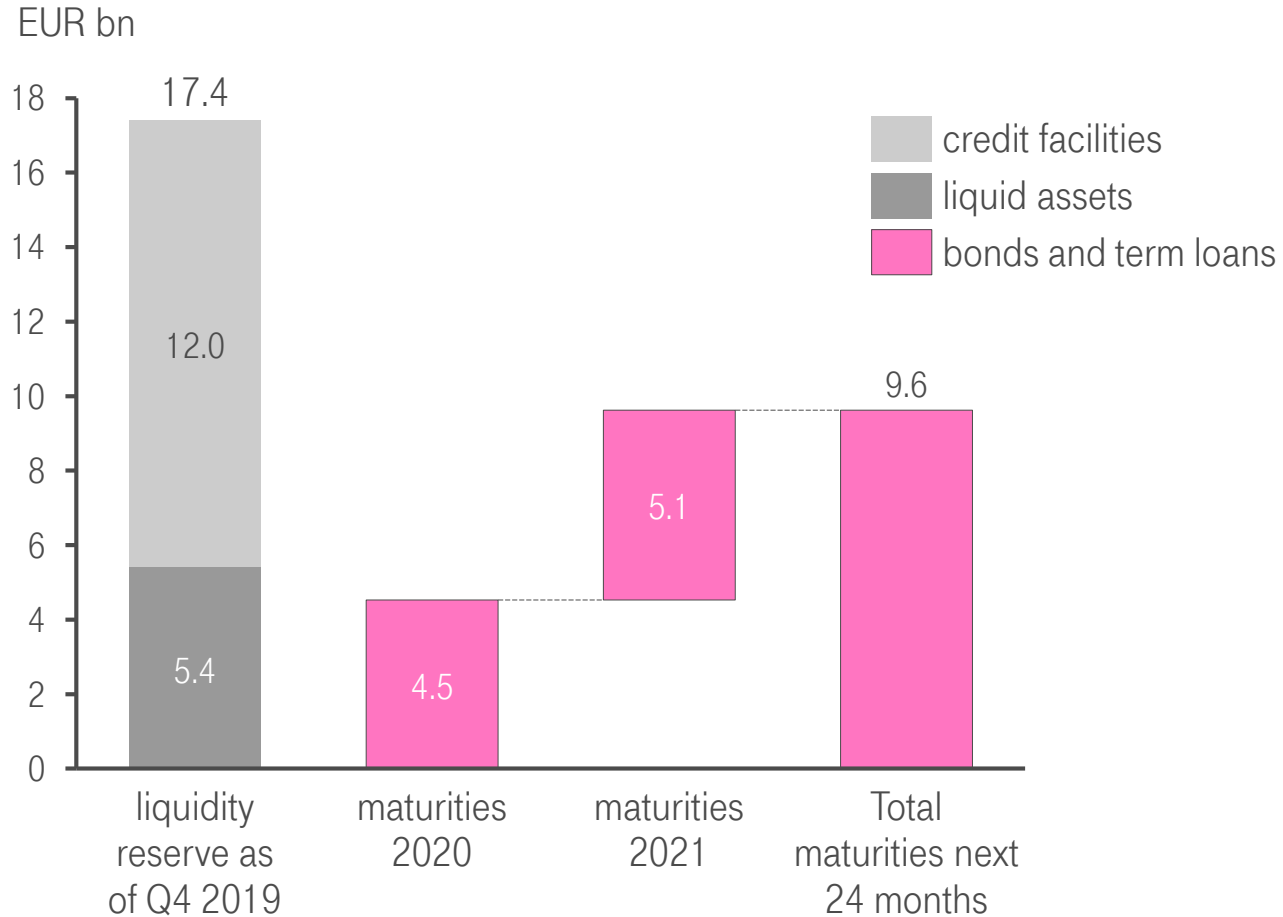
# MATURITY PROFILE: WELL BALANCED



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due to rounding differences: sum of single maturities per year ≠ total maturity per year

# LIQUIDITY: STRONG POSITION



- EUR 12.6bn firm bilateral lines available
  - unconditionally committed
  - no MAC clauses
  - diversified: 21 banks
  - 3 year tenor, staggered maturities
- 0.6bn bilateral lines drawn
- No CPs outstanding
- Residual undrawn amount EUR 12bn
- Maturities of next 24 months covered



# DT/TMUS FUNDING: CREDIT POSITIVE FOR DT

## DT's funding support as of December 31, 2019

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- USD 10bn unsecured HY bonds (disbursed)
- USD 2.5bn Revolving Credit Facility, thereof USD 1.5bn secured (undrawn)
- USD 4.0bn secured term loan (disbursed)

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**USD 16.5bn total inter-company financing, thereof USD 5.5bn secured**

In addition, TMUS has issued USD 11.0bn High Yield bonds to external investors

## Positive credit implications

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- Results in significant interest costs savings
- DT in preferential creditor position due to large portion of secured financing
- Eliminates structural subordination issues with rating agencies



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