

# Bond investor Information

August 2022



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In addition to figures prepared in accordance with IFRS, Deutsche Telekom also presents alternative performance measures, including, among others, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA after leases, adjusted EBITDA margin, Core EBITDA, adjusted EBIT, adjusted net income, free cash flow, free cash flow after leases, gross debt, net debt after leases and net debt. These alternative performance measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Alternative performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways.

# Financials Q2 2022 reported

## strong growth

€ mn

	Q2			H1		
	2021	2022	Change	2021	2022	Change
Revenue	26,593	28,168	+5.9%	52,983	56,191	+6,1%
Adj. EBITDA AL	9,418	9,891	+5.0%	18,662	19,763	+5,9%
Adj. EBITDA AL (excl. US) <sup>2</sup>	3,680	3,554	-3.4%	7,219	7,255	+0.5%
Adj. Net profit	2,113	2,445	+15.7%	3,315	4,683	+41.3%
Net profit	1,879	1,460	-22.3%	2,815	5,409	+92.1%
Adj. EPS (in €)	0.45	0.49	+8.9%	0.70	0.94	+34.3%
Free cash flow AL <sup>1</sup>	2,766	2,759	-0.3%	5,350	6,540	+22.2%
Cash capex <sup>1</sup>	4,287	4,984	+16.3%	8,570	9,642	+12.5%
Net debt excl. leases (AL)	96,787	106,289	+9.8%	96,787	106,289	+9.8%
Net debt incl. leases (IFRS 16)	127,972	146,104	+14.2%	127,972	146,104	+14.2%

<sup>1</sup> Free cash flow AL before dividend and before spectrum investments. Cash capex before spectrum investment. Spectrum: H1/21: €8,024 mn; H1/22: €2,616 mn; Q2/21 €35 mn; Q2/22 €102 mn

<sup>2</sup> Decline due to de-consolidation of Romania fixed and the Dutch business. Organic growth rate of +2.7% in Q2.





# Balance sheet

## rating outlook improved by S&P

€ bn

	30/06/2021	30/09/2021	31/12/2021	31/03/2022	30/06/2022
Balance sheet total	270.5	273.4	281.6	292.4	301.7
Shareholders' equity	77.0	78.9	81.5	87.7	88.5
Net debt excl. leases (AL)	96.8	99.3	100.6	98.1	106.3
Net debt excl. leases (AL)/adj. EBITDA AL <sup>1</sup>	2.59	2.66	2.70	2.59	2.77
Net debt incl. leases (IFRS 16)	128.0	130.4	132.1	135.9	146.1
Net debt incl. leases IFRS 16/adj. EBITDA <sup>1</sup>	2.97	3.02	3.06	3.10	3.28
Equity ratio	28.5%	28.8%	28.9%	30.0%	29.3%

### Comfort zone ratios

Rating: A-/BBB	
2.25–2.75 Net debt IFRS 16/Adj. EBITDA	
25–35% equity ratio	
Liquidity reserve covers redemptions of the next 24 months	

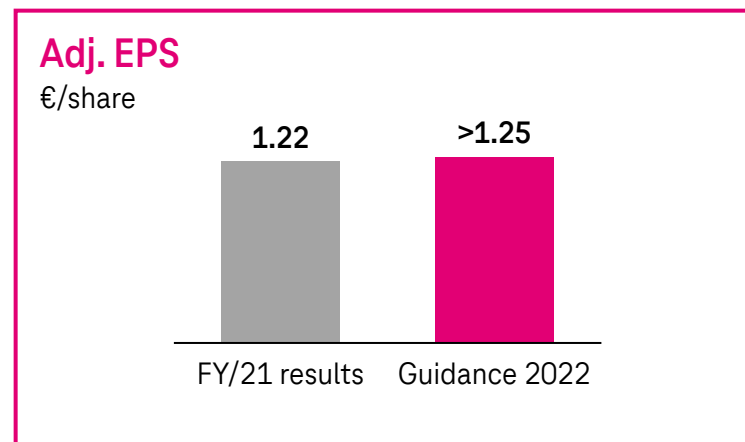
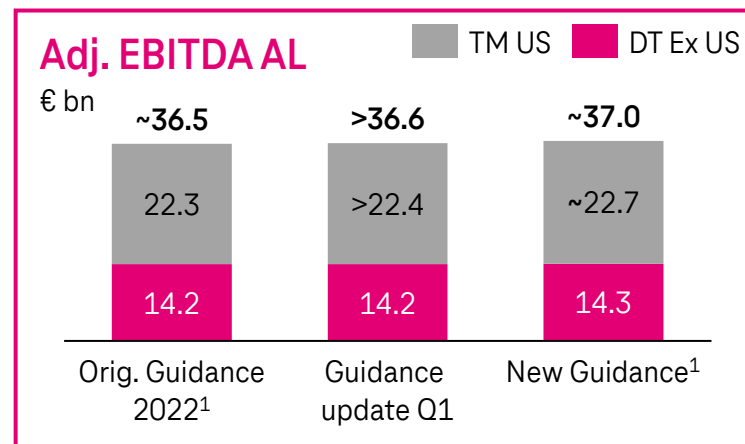
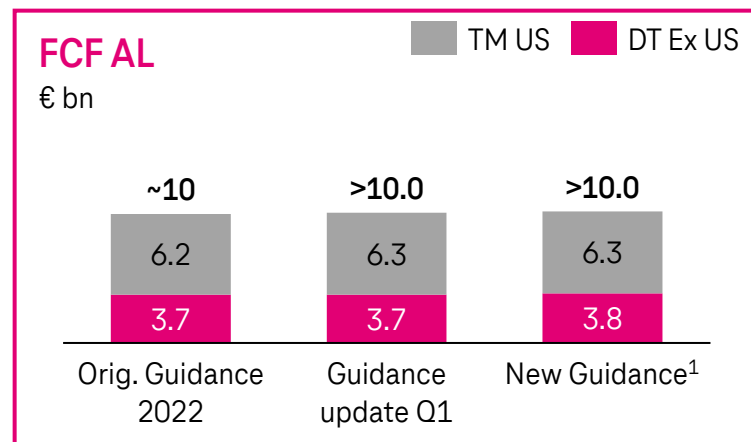
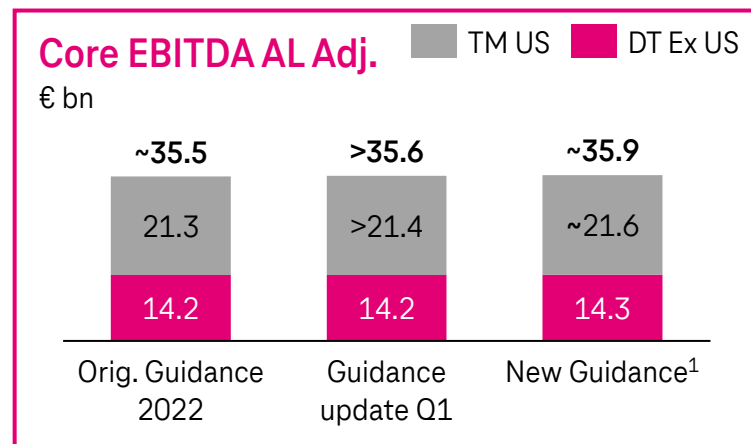
### Current rating

Fitch:	<b>BBB+</b>	stable outlook
Moody's:	<b>Baa1</b>	stable outlook
S&P:	<b>BBB</b>	positive outlook

<sup>1</sup> Ratios for the interim quarters calculated on the basis of previous 4 quarters.

# Guidance 2022

raised on both sides of the Atlantic



- Guidance raised for T-Mobile US and Group ex US
- Q1/22 results of T-Mobile NL not included in guidance
- Guidance based on exchange rate of US\$1.18 per 1 €

<sup>1</sup> Guidance for adj. EBITDA AL of around €37 bn reflects €1.7 bn decrease in handset leasing revenues in the US. TM US adj. EBITDA and Core EBITDA AL adj. included at midpoint of US GAAP guidance of US\$27.45 bn and US\$26.15 bn, adjusted for estimated bridge of US\$-0.6 bn. US FCF included at mid-point of US GAAP guidance of US\$7.45 bn. Based on € 1 = US\$ 1.18

# ESG

## on top of our agenda



### ENVIRONMENT

- **Climate Targets:**
  - Net zero (Scope 1&2 emissions) until 2025
  - Net neutrality (Scope 1-3) until 2040 latest
  - Interim target 2030: reduce Scope 3 per customer by 25%
- **Energy ambition:** keep energy consumption stable until 2024 (vs 2020), H1/22 Germany -10% yoy
- **Circularity ambition:** tackle electronic and network waste issues: striving to become fully circular
- **TMUS ranks #3 on the EPA's Green Power Partnership National Top 100 list**



### SOCIAL

- **DT as supporter in the crisis:** (strong supporter of Ukraine refugees across the footprint)
- New big campaign **against hate speech**
- **Digital inclusion ambition:** further increase the number of 28mn beneficiaries<sup>1</sup>. T-Mobile has **connected over 4.3 million students** across its education initiatives since 2020
- Strong focus on all dimensions of diversity, **DT #3 in German diversity ranking 2022** (beyond gender agenda)
- **TMUS** was named **Disability:IN's Employer of the Year**



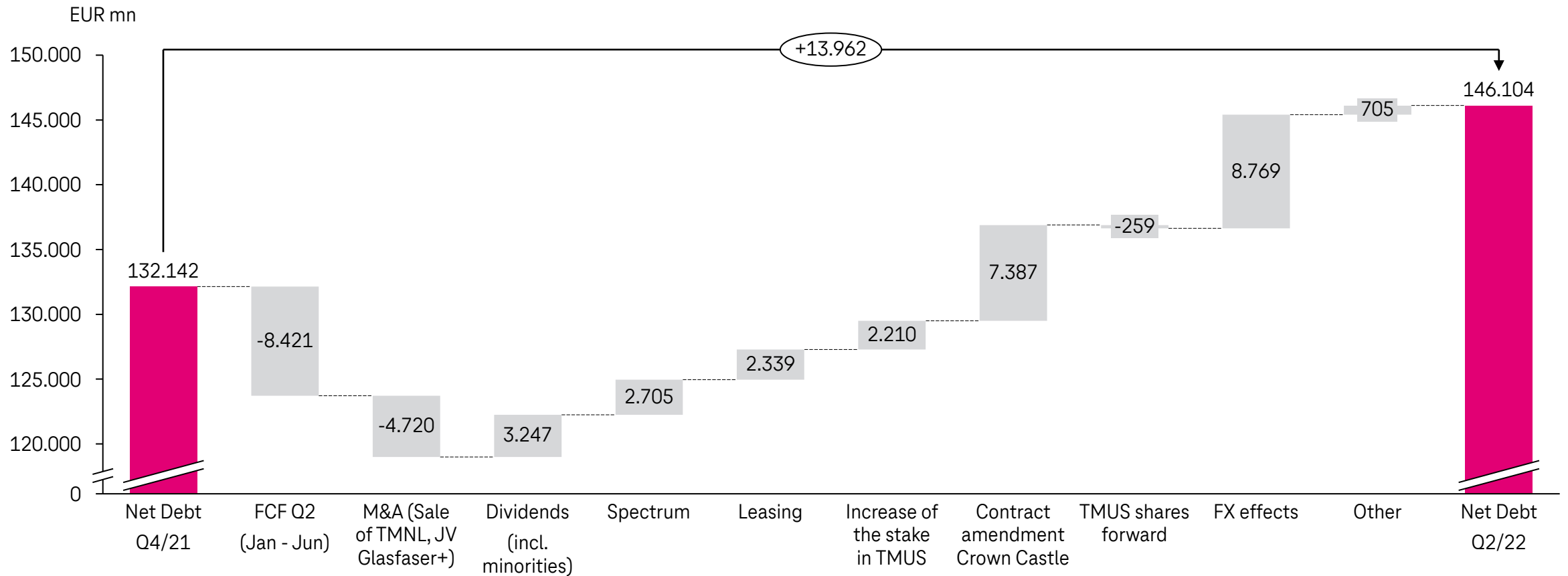
### GOVERNANCE

- **Move of Group Corporate Responsibility department to CEO** successfully implemented
- **New BoM remuneration system** (incl ESG targets) extended to all DT managers
- **DTs Corporate Digital Responsibility strategy** and commitments published

<sup>1</sup> People who have benefited from our commitment to digital inclusion and to a society that protects the climate and conserves resources

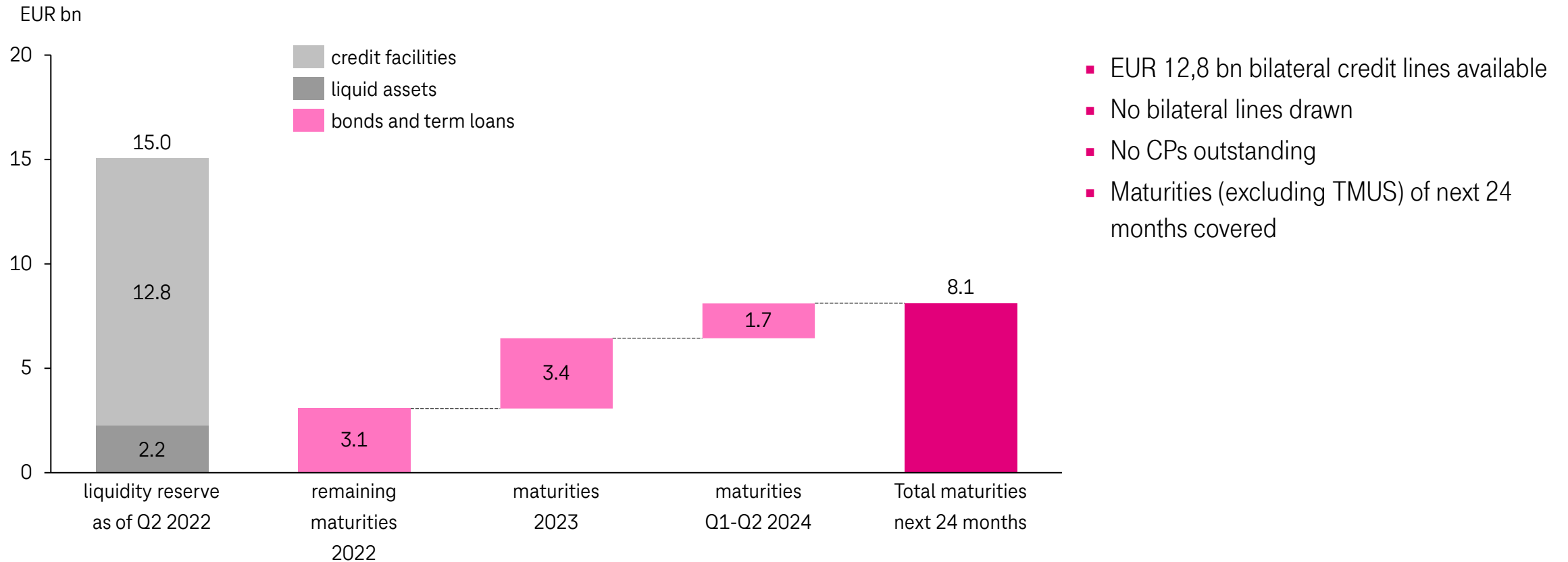
# Net Debt DT Group

## Q4 2021 – Q2 2022 reconciliation



# Liquidity profile DT Group excl. TMUS

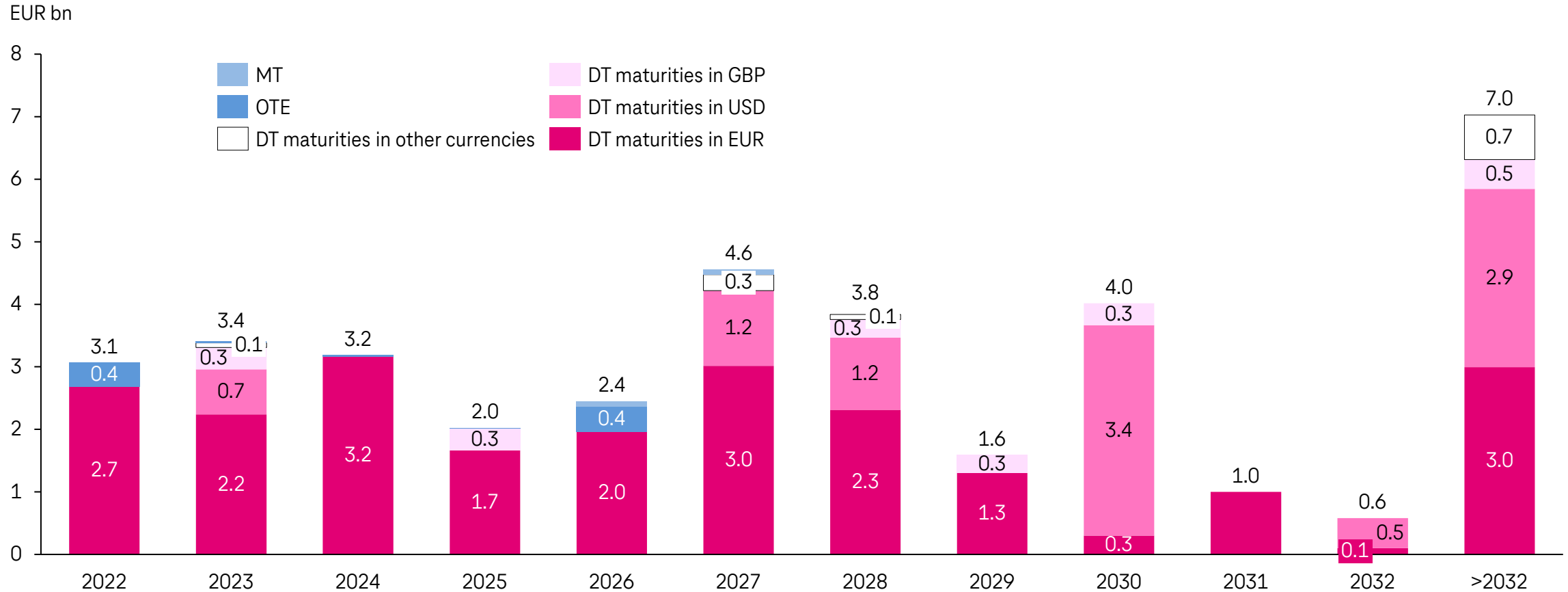
## strong liquidity as of June 30, 2022





# Maturity profile DT Group excl. TMUS

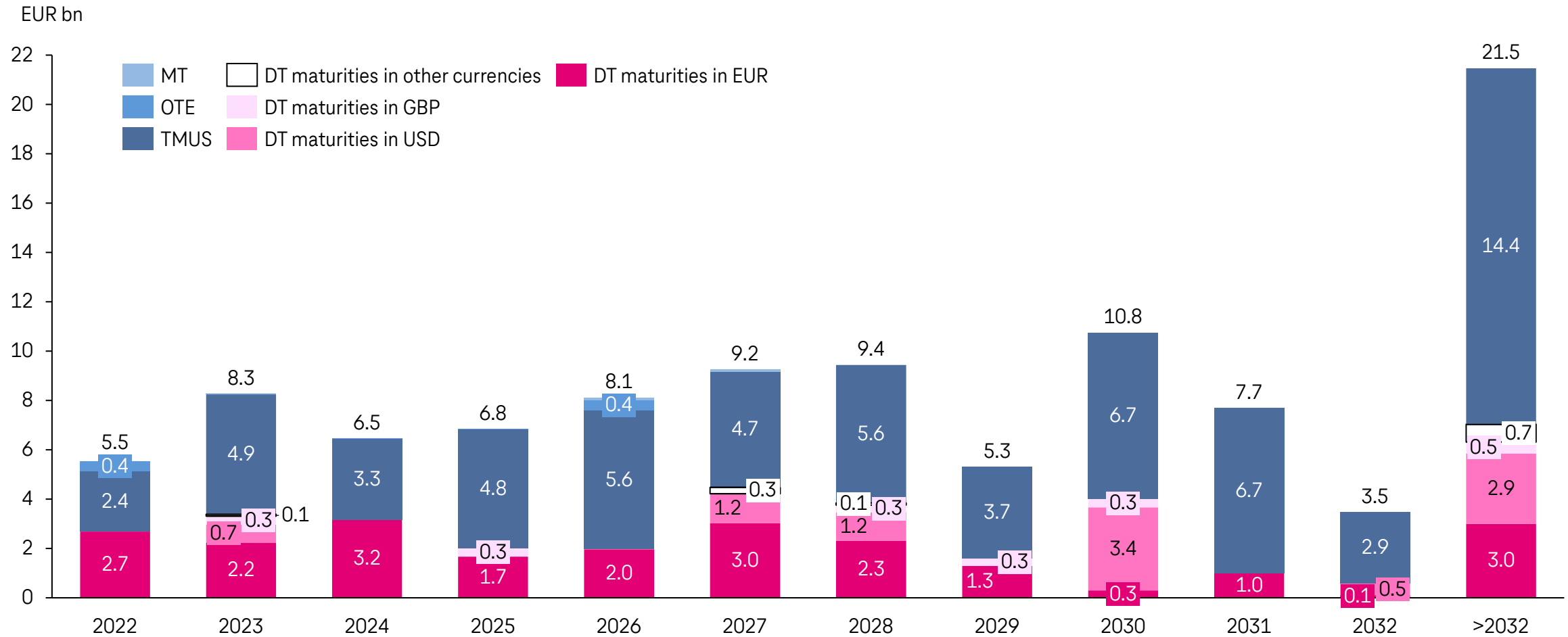
## well-balance profile as of June 30, 2022



Furthermore DT holds USD 1.5bn TMUS unsecured HY bonds

due to rounding differences: sum of single maturities per year  $\neq$  total maturity per year

# Maturity profile DT Group as of June 30, 2022



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due to rounding differences: sum of single maturities per year  $\neq$  total maturity per year

# Debt investor relations

## your team



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