Germany
Srini Gopalan
Disclaimer

This presentation contains forward-looking statements that reflect the current views of Deutsche Telekom management with respect to future events. These forward-looking statements include statements with regard to the expected development of revenue, earnings, profits from operations, depreciation and amortization, cash flows and personnel-related measures. You should consider them with caution. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond Deutsche Telekom’s control. Among the factors that might influence our ability to achieve our objectives are the progress of our workforce reduction initiative and other cost-saving measures, and the impact of other significant strategic, labor or business initiatives, including acquisitions, dispositions and business combinations, and our network upgrade and expansion initiatives. In addition, stronger than expected competition, technological change, legal proceedings and regulatory developments, among other factors, may have a material adverse effect on our costs and revenue development. Further, the economic downturn in our markets, and changes in interest and currency exchange rates, may also have an impact on our business development and the availability of financing on favorable conditions. Changes to our expectations concerning future cash flows may lead to impairment write downs of assets carried at historical cost, which may materially affect our results at the group and operating segment levels.

If these or other risks and uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, our actual performance may materially differ from the performance expressed or implied by forward-looking statements. We can offer no assurance that our estimates or expectations will be achieved. Without prejudice to existing obligations under capital market law, we do not assume any obligation to update forward-looking statements to take new information or future events into account or otherwise.

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, 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.
Key messages

01 Undisputed market leader
We have delivered, despite a tough IP migration and Covid-19 headwinds. The tailwinds we have created will contribute significantly to growth going forward.

02 Accelerating infrastructure
By 2024 we will have ≈10 mn Fiber homes passed and ≈97% 5G coverage. We are quite progressed in sourcing external funding to further enhance our build.

03 Accelerating B2C growth
Convergence and monetizing our base will drive consumer loyalty and revenue growth.

04 Accelerating B2B growth
A rapidly digitalizing economy and our unique position in it will drive B2B revenue growth.

05 Accelerating digitalization
Full stack digitalization will drive a step change in Cost efficiency.

06 Accelerating EBITDA & ROCE
We will self-fund our investments through accelerating EBITDA growth to +2.5–3%\(^2\) and Capex efficiency. ROCE will grow to significantly > WACC.

\(^{2}\) CAGR 2020–2024e
Review
2017–2021
We have delivered, despite IP migration and Covid-19 headwinds

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile service revenue</td>
<td>€ bn</td>
<td></td>
</tr>
<tr>
<td>CAGR 2021e5</td>
<td>≈+2%</td>
<td></td>
</tr>
<tr>
<td>CAGR +1.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broadband revenue</td>
<td>€ bn</td>
<td></td>
</tr>
<tr>
<td>CAGR 2021e5</td>
<td>+3–4%</td>
<td></td>
</tr>
<tr>
<td>CAGR +4.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj. EBITDA (AL)</td>
<td>€ bn</td>
<td></td>
</tr>
<tr>
<td>CAGR 2021e5</td>
<td>+2–2.5%</td>
<td></td>
</tr>
<tr>
<td>CAGR +1.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash contribution (AL)</td>
<td>€ bn</td>
<td></td>
</tr>
<tr>
<td>CAGR 2021e5</td>
<td>+4–5%</td>
<td></td>
</tr>
<tr>
<td>CAGR +4.8%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 CAGR adjusted for IFRS 15 impact
2 Including business IP products (e.g. DLAN, Company Connect); CAGR adjusted for IFRS 15 impact; growth 2017–2021e without definition change approx. 1 pp lower
3 CAGR not adjusted for IFRS 15 impact
4 Cash contribution (AL) = Adj. EBITDA (AL) – Cash Capex – Special factors (Cash)
5 Ambition level 2017–2021e
IP migration headwinds are becoming tailwinds

**PROOF POINTS**

- > 60% Line losses reduced
- > 30% Amount of installations decreased
- -0.5% Revenue drag disappears

Note: comparison of yearly average 2017–2019 vs. 2020
Our track record on operational execution has been strong

Undisputed market leader in Germany

- Record high First contact resolution rate +22pp
- Accelerated Time2market -15 months
- Significantly reduced complaints -66%
- Record high Customer satisfaction +7 pts in TRI*M
- Increased IT stability almost doubled
- Record low Churn in fixed and mobile

Winner of all relevant tests in service, network & brand

Note: Number referring to development 2017–2020
# CMD 2018 commitments: We delivered!

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lead in customer experience</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- #1 in Mobile service revenue: CAGR ≈+2%&lt;sup&gt;1&lt;/sup&gt;</td>
<td>• +1.4% (+2.2% excl. Covid-19)</td>
<td></td>
</tr>
<tr>
<td>- #1 Broadband revenue: CAGR +3–4%&lt;sup&gt;2&lt;/sup&gt;</td>
<td>• +4.6%</td>
<td></td>
</tr>
<tr>
<td>- MagentaEINS share of Broadband households: ≈30%</td>
<td>• ≈26%</td>
<td></td>
</tr>
<tr>
<td><strong>Lead in business productivity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Lead in technology</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Ramping up to 2 mn households p.a.</td>
<td>• ca. 1.2 mn households in 2021e</td>
<td></td>
</tr>
<tr>
<td><strong>Value transformation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Reduction of adj. indirect cost (AL)&lt;sup&gt;3&lt;/sup&gt; by €1 bn</td>
<td>• €1 bn (2021e)</td>
<td></td>
</tr>
<tr>
<td><strong>Financials</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Revenue growth: CAGR &gt; 1%&lt;sup&gt;4&lt;/sup&gt;</td>
<td>• 0.0% (+0.4% excl. Covid-19)</td>
<td></td>
</tr>
<tr>
<td>- Adj. EBITDA (AL) growth: CAGR +2–2.5%&lt;sup&gt;4&lt;/sup&gt;</td>
<td>• +1.9%</td>
<td></td>
</tr>
<tr>
<td>- Cash contribution (AL)&lt;sup&gt;5&lt;/sup&gt; growth: CAGR +4–5%</td>
<td>• +4.8%</td>
<td></td>
</tr>
</tbody>
</table>

---

<sup>1</sup> CAGR adjusted for IFRS 15 impact  
<sup>2</sup> Including business IP products (e.g. DLAN, Company Connect); CAGR adjusted for IFRS 15 impact; growth 2017–2021e without definition change approx. 1pp lower  
<sup>3</sup> Germany incl. GHS, 2017–2021e  
<sup>4</sup> CAGR not adjusted for IFRS 15 impact  
<sup>5</sup> Cash contribution (AL) = Adj. EBITDA (AL) – Cash Capex – Special factors (Cash)  
<sup>6</sup> Actual results 2017–2020, or respectively actuals 2020
Strategy
2021–2024
Our growth levers

<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Networks</td>
<td>Leadership in FTTC and 4G</td>
</tr>
<tr>
<td>02 B2C</td>
<td>Product leadership</td>
</tr>
<tr>
<td>03 B2B</td>
<td>Market leading one-stop-shop</td>
</tr>
<tr>
<td>04 Digitalization</td>
<td>Digital initiatives</td>
</tr>
<tr>
<td>05 People, society &amp; environment</td>
<td>Good corporate citizen</td>
</tr>
<tr>
<td>06 Outcome</td>
<td>18 quarters of EBITDA growth</td>
</tr>
<tr>
<td>Leadership in gigabit networks with FTTH and 5G</td>
<td></td>
</tr>
<tr>
<td>Loyalty driven growth</td>
<td></td>
</tr>
<tr>
<td>Software-driven digitalization</td>
<td></td>
</tr>
<tr>
<td>Scale digitalization along the entire value chain</td>
<td></td>
</tr>
<tr>
<td>ESG as differentiator</td>
<td></td>
</tr>
<tr>
<td>Accelerating EBITDA and ROCE growth</td>
<td></td>
</tr>
</tbody>
</table>
We are undisputed network leaders

MOBILE

5G 80% coverage

32,500 mobile sites

70 Mbps average mobile speed

Note: Figures per Q1/2021 ¹ With Supervectoring

FIXED

83% Fiber coverage

> 600,000 km Fiber

> 40 Mbps average upload speed¹
We will build a future-proof Fiber network for Germany

Our FTTH rollout in Germany

Homes passed, mn

Run rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Homes passed, mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>0.6 mn</td>
</tr>
<tr>
<td>2021e</td>
<td>1.2 mn</td>
</tr>
<tr>
<td>2024e</td>
<td>&gt; 2.5 mn</td>
</tr>
<tr>
<td>2030e</td>
<td></td>
</tr>
</tbody>
</table>

Germany covered with FTTH by 2030

OUR STRATEGY

Build speed consistent with pace of demand growth

- Vectoring outperforming competition
- Focus on areas of greatest bandwidth needs
- Clear DT leadership in “terminal” year

Execution leadership

- Regional structure with 13,000 employees
- Building at a pace of > 2.5 mn households p.a.

Flexibility and agility

- Self-funded rollout
- External funding in addition
- Restrict “cherrypicking”
We are de-averaging our build to keep pace with demand

Focus on attractive municipalities
- Public support, market share, build costs
- Target housing associations
- Benefit from abolishment of rental cost privilege
  
  e.g. Berlin, Düsseldorf, Hamburg
  
  ≈55%¹

Choose best approach
- Collaborations with local partners
- Wholebuy
- Overbuild
  
  e.g. collaboration Glasfaser Nordwest
  
  ≈15%¹

DT Fiber footprint
- Yes
- No

Progressively build out
- Counteract cherry picking
- Leverage subsidies (from 2023ff)
  
  e.g. Bad Salzungen, Freiberg, Ilmenau
  
  ≈20%¹

Participate in subsidized deployments
- Participation in 80% of subsidy tenders
  
  e.g. Oschatz, Grimmen, Wolfschlugen
  
  ≈10%¹

Third party infrastructure (Coax, FTTH, FTTC)

¹ Share of households in Germany
Leveraging our retail and wholesale customer base will drive ARPA and Fiber utilization.

**Share of ≥ 100 Mbps contracts (% of Broadband base)**
- Retail: 2018: 9%, 2020: 2%, 2024e: 2–2.5%

**Retail broadband ARPA (€/month)**
- 2018: 32.0, 2020: 33.5, 2024e: +5%

**Broadband net add share (%)**
- 2018: 31%, 2020: 51%, 2024e: ≈ 40%

**Wholesale tariffs (€/month)**
- 50 Mbps: 15.7, 100 Mbps: 17.7, 250 Mbps: 19.7, 500 Mbps: 31.3, 1 Gbps: 39.2

**Key Points**
- Fiber utilization supported by 10-year commitment models
- Fiber monetization with clear accretive more for more logic

---

1 B2C only, 2018 and 2020 Q4 figures
2 Calculatory fees for Layer 2 bitstream access incl. upfront investment (as calculated by the BNetzA)
We are systematically driving Capex efficiency

**Improving our rollout efficiency**

**Scale advantage**
- "Fiber Factory" with 13,000 employees for large-scale rollout
- Faster rollout with standardized processes

**Digitalization of planning process**
- Digital planning tools
- Leverage of VR technology (e.g. “T-Cars”)

**Long term vendor relationships**
- Long-term relationships with large vendors
- Turnkey models to leverage external partners

**Improved local rollout conditions**
- New rollout techniques (e.g. micro-trenching, digital approval processes) and approaches (e.g. poles, reduced depth)
- Highest buildout costs in Europe due to building restrictions

**AMBITION 2024e**

FTTH unit cost
€/home passed

- 25%

2020
2024e

1,000
We will accelerate our 5G leadership

Best coverage & speed
- Most spectrum deployed & most dense mobile network
- Lead in 3.6 GHz buildout
- > 75% Fiber backhaul & superior active equipment

Efficient deployment
- Shut down 3G & prepare frequencies for 5G refarming
- Leverage big data and geo-spatial analytics for optimized network densification
- Add small cells into deployment mix

Monetize infrastructure
- Defend fair market share
- Upselling base to 5G/Magenta brand & remain committed to more-for-more
- Grow in IoT/Campus networks: potential of low triple digit millions by 2024e

**AMBITION 2024e**

<table>
<thead>
<tr>
<th></th>
<th>Average mobile speed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mbps</td>
</tr>
<tr>
<td>2020</td>
<td>70</td>
</tr>
<tr>
<td>2024e</td>
<td>≈100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>B2C share of L/XL customers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
</tr>
<tr>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>2024e</td>
<td>1.5–2x</td>
</tr>
</tbody>
</table>
We have been leading in product, brand and service experience

**OUR PROOF POINTS**

- **Undisputed market leadership**
  Multibrand-strategy > 26 mn Mobile customers;  
  > 11.6 mn Broadband customers; > 3.7 mn TV customers

- **FMC leadership**
  Integrated customers > 5 mn MagentaEINS

- **Best customer experience**
  All time high in TRI*M and increased on-time delivery by 4pp (2017–2020)

- **Accelerated self-service and automation**
  30% shifted calls to digital, app usage of 56%

- **Brand achievement**
  89% of our customers acknowledge the high quality of our services
Upgrading our existing customers to the best product is at the heart of loyalty driven growth

Our strategy

<table>
<thead>
<tr>
<th>Broadband customer share</th>
<th>Customer satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average increase in TRI*M</td>
</tr>
<tr>
<td>L</td>
<td>≈25%</td>
</tr>
<tr>
<td>M</td>
<td>+40%</td>
</tr>
<tr>
<td>S</td>
<td>+26%</td>
</tr>
<tr>
<td>2020</td>
<td>Baseline</td>
</tr>
</tbody>
</table>

**Upsell Mobile customers**
Share of customers in L/XL tariffs

- 2020: Gray bar
- 2024e: Pink bar
- 1.5–2x

**Upsell Broadband customers**
Share of customers with ≥ 100 Mbps

- 2020: Gray bar
- 2024e: Pink bar
- 2–2.5x
Accelerating MagentaEINS will scale loyalty driven growth and improve market structure

Our strategy

Percentage of Broadband households with FMC bundles, %

- **DT**: ≈26
- **Main competitor**: ≈15
- **DT**: ≈51³

- **-50%**: Churn on MagentaEINS
- **> €7**: Additional revenue in MagentaEINS households
- **78 pts**: MagentaEINS TRI*M

**AMBITION 2024e**

Percentage of Broadband households with FMC bundles

%  

- **2020**: ≈26
- **2024e**: 1.5–2×

---

³ End of 2020 in AT, CZ, GR, HR, HU, ME, MK, PL, SK
Our converged household experience will be hard to replicate

Seamlessly connected and easily managed products

The best TV experience and content in one place

Best-in-class network and the fastest WIFI in all corners

Integrated experience
- Digital interface
- HomeOS
- Security

Best TV product
- Disney
- Sky
- Amazon Prime
- Netflix

Best network
- T-Mobile
- AWS
- 5G
Our market leadership in business is based on strong pillars

Trusted partner for connectivity and digitalization

**Strong track record**

<table>
<thead>
<tr>
<th>Market leadership</th>
<th>Best services</th>
<th>Strong partners</th>
<th>Customer satisfaction (TRI*M) B2B</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td></td>
<td>Microsoft, Apple</td>
<td>77 pts¹</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IT/cloud growth</th>
<th>Mobile M4M</th>
<th>Hosted PBx</th>
<th>IT revenue growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>+13% 2017–2020</td>
</tr>
</tbody>
</table>

**Strong headwinds**

<table>
<thead>
<tr>
<th>Managing TC integration</th>
<th>Leveraging IP migration</th>
<th>Covid-19 impact in roaming</th>
<th>Revenue impact due to Covid-19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>€240 mn</td>
</tr>
</tbody>
</table>

¹ Incl. TC integration ² Ex 2020 Covid-19 impact of approx. €0.2 bn would have been CAGR ≈1.6% ³ As reported; before IoT GmbH integration

Revenue, € bn

- TC: 8.7
- TDG B2B: 2.1

CAGR ≈0.7%²

Revenue, € bn

- 2017: small
- 2020³: mid-sized, very large
Customer example for ecosystem
We are very well positioned to benefit from the digitalization of the economy and our customers

GROWTH DRIVERS

Acceleration of digitalization in SME/public & adoption of digital products e.g. IoT, Campus networks and SDx

Headwinds of IP migration become tailwinds; roaming recovery

Go to market benefits of TC integration

$^{1}$ Organic; after IoT GmbH integration
We will combine the best of digitalization and human expertise

**DIGITAL SERVICE**
Boost digitalization for all frontline agents with MagentaView by 2022

**PERSONAL SERVICE**
Push omni-channel & up-skill all frontline people for sales and service by 2022

**AMBITON 2024e**
- **60%** First contact resolution (+8pp vs. 2020)
- **> €200 mn** Savings through automated transactions
- **69 pts** Customer satisfaction (TRI*M) TDG

Leading bot farm in the European telco industry
> 3,000 Bots

Integrated sales & service to serve our customers out of one hand
We are digitalizing the full stack

**Telco as a platform: scalable software integration layer**

- Product & service orchestration
- Network orchestration
- Security
- Unified data & analytics engine

**Assets and capabilities via microservices**

**Network production: disaggregation & automation**

- Fixed access
- Mobile access

---

**Digital-first customer experience & service ops**

- ....
- ....

**Remote provisioning**
Remote check and support in the deployment of complex solutions by our experts

**Predictive maintenance**
360-degree view of the entire home network, devices and setup, as well as predictive optimizations and customer support

**Cloud-based workloads**
Fully automated network services in cloudified production (TV, Voice, Data)

**Value based network rollout**
Data-based and automated rollout decisions enable efficiency

---

**AMBITION 2024e**

- Remote provision +17pp Share of chat interactions
- Predictive maintenance ≥ 55% First time right/fault repair
- Cloud-based workloads 67% Cloudified workload
- Value based network rollout -75% Faster structural planning/hours
**Customer Touchpoints**

Full stack digitalization leads to significant benefits

<table>
<thead>
<tr>
<th>Customer Touchpoints</th>
<th>IT &amp; Networks</th>
</tr>
</thead>
<tbody>
<tr>
<td>App penetration</td>
<td>E-sales share</td>
</tr>
<tr>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>56</td>
<td>24</td>
</tr>
<tr>
<td>2020</td>
<td>2020</td>
</tr>
<tr>
<td>73</td>
<td>30</td>
</tr>
<tr>
<td>2024e</td>
<td>2024e</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IT time-to-market</th>
<th>Releases/month</th>
<th>Cloudified workloads</th>
</tr>
</thead>
<tbody>
<tr>
<td>months</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>3.5</td>
<td>700</td>
<td>9</td>
</tr>
<tr>
<td>2020</td>
<td>2020</td>
<td>2020</td>
</tr>
<tr>
<td>2.0</td>
<td>1,200</td>
<td>67</td>
</tr>
<tr>
<td>2024e</td>
<td>2024e</td>
<td>2024e</td>
</tr>
</tbody>
</table>

- **IT time-to-market**: Reduction from 3.5 months in 2020 to 2.0 months in 2024e
- **Releases/month**: Increase from ≈700 in 2020 to ≈1,200 in 2024e
- **Cloudified workloads**: Increase from 9% in 2020 to 67% in 2024e
- **First-time right in provisioning**: Increase from 92% in 2020 to ≥ 95% in 2024e
- **App penetration**: Increase from 56% in 2020 to 73% in 2024e
- **E-sales share**: Increase from 24% in 2020 to 30% in 2024e
- **Share of calls shifted to digital**: Increase from 30% in 2020 to > 40% in 2024e

**Notes:**
- IT & Ambition
- Networks
- Systems Solutions
- Germany
- Europe
- T-Mobile US
- Technology & Innovation
- Finance
- Group Development
- Group Strategy
Digitalization is at the heart of driving significant cost reductions

Substantially cost reduction by digitalization and restructuring

- Full Stack Digitalization: New Age-IT, standardized and de-coupled IT-architecture
- New Ways of Working: Agile delivery and reskilling leading to leaner organization
- Future of Real Estate: Optimization of real estate

**AMBITION 2024e**

**€0.7 bn** Indirect cost savings

- Take out redundancies in overhead functions
- 50% Reduction of office spaces by 300k square meters

---

1 Germany incl. GHS, 2020–2024e
We are proud of being a responsible employer and part of society

**OUR PROOF POINTS**

- We build networks that are inclusive
  We have connected > 36 mn households with Fiber and kept field service connected to our customers ("keep Germany connected")

- We stand up and offer specials during Covid-19
  Workplace solutions for SME, content offers for families

- We help society when there is need
  Provided devices for schools, hospitals and nursing homes

- We care for our employees
  We enabled new and flexible working conditions
We will raise the bar on ESG

Our strategic levers address all aspects of people’s lives

**DIGITAL @SCHOOL**
Boost digitalization for schools with Fiber connectivity, home schooling offers & young data tariffs

**REGIONAL APPROACH**
Network build focused on maximum participation & inclusion

**ENVIRONMENT**
100% use of renewable electricity since 2020 and sustainable devices and IoT offer

**AMBITION 2024e**

≈7,000 Connected schools with FTTH & digital education

- Increase in energy efficiency
- Continue to drive employee satisfaction
We have a clear path to accelerate EBITDA growth

**2017–2020**

CAGR +1.9%

- Mobile and fixed growth by product and network leadership
- Strong market position drives B2B
- Discipline in management of indirect costs
- Drag from IP migration: cost & revenue impact on consumer and business
- Line losses in single play

**2020–2024e**

CAGR +2.5–3%

- B2C growth driven by focusing on an increasingly converged and loyal base
- B2B growth driven by a digitalizing economy
- Indirect cost reduction driven by digitalization
- Tailwind from completed IP migration

Note: EBITDA = Adj. EBITDA AL
EBITDA growth and disciplined asset management will ensure ROCE growth > WACC

**Sustainable NOPAT growth**

- Revenue Growth ≥ 1%\(^1\)
  - Growing demand for broadband
  - Digitalization of businesses
  - Tailwinds from IP migration

- IDC savings ≈€0.7 bn\(^2\)
  - Efficiencies driven by digitalization
  - Changing the way we work
  - Overhead reduction

**Disciplined asset management**

- Retirement of legacy systems
- Mobile network sharing
- 3G retirement
- Capex efficiencies
- Fiber joint ventures

**Note:** EBITDA = Adj. EBITDA AL  \(^1\) CAGR 2020–2024e  \(^2\) Germany incl. GHS, 2020–2024e
Midterm ambition level
## Midterm ambition level

<table>
<thead>
<tr>
<th>Service revenue</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Mobile service revenue: CAGR +1–2%&lt;sup&gt;1&lt;/sup&gt;</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>• Broadband revenue: CAGR &gt; 4%</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>• Wholesale access revenue: stable</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>• Total service revenue: CAGR ≥ 1%</td>
<td>2020–2024e</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Drivers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• FTTH homes passed: ≈10 mn</td>
<td>2024e</td>
</tr>
<tr>
<td>• 5G coverage: ≈97%</td>
<td>2024e</td>
</tr>
<tr>
<td>• Adj. indirect costs AL&lt;sup&gt;2&lt;/sup&gt;: Reduction by €0.7 bn</td>
<td>2020–2024e</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financials</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Revenue: CAGR ≥ 1%</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>• Adj. EBITDA AL: CAGR +2.5–3%</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>• Cash Capex: ≈€0.5 bn higher</td>
<td>2020–2024e</td>
</tr>
</tbody>
</table>

<sup>1</sup> Incl. MTR regulatory effects  
<sup>2</sup> Germany incl. GHS
How we turn customers into fans