Europe
Dominique Leroy
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Key messages

01 Leading European and fastest growing large-scale telco
EBITDA continuously growing > 2%\(^1\) driven by increasing Service revenues & cost discipline, operating in attractive markets

02 Accelerating with customer centricity & digital
- **B2C:** Best CX, further scaling FMC & increasing HH value
- **B2B:** Profitable growth by driving clients' digitalization
- **People & Society:** Customer centric culture & organization, thriving for a positive impact on society
- **Network:** Super fast Fiber & 5G rollout for best user experience
- **Digital:** Further scaling common digital solutions across Europe

03 Stronger as a region
Leveraging synergies and digitalization, scaling common products & best practices across Europe

04 Significant contributor to DT’s equity value
Continue sustainable growth with EBITDA AL CAGR +1.5–2.5%\(^2\) & ROCE > WACC

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\(^1\) CAGR 2017–2020 Adj. EBITDA (AL)  \(^2\) CAGR 2020–2024e Adj. EBITDA AL
Review
2017–2021
## Leading and fastest growing, large European telco

### 2020 financials

<table>
<thead>
<tr>
<th></th>
<th>€ bn</th>
</tr>
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<tbody>
<tr>
<td>Revenues</td>
<td>11.3</td>
</tr>
<tr>
<td>EBITDA AL</td>
<td>3.9</td>
</tr>
<tr>
<td>Cash contribution(^1)</td>
<td>1.9</td>
</tr>
</tbody>
</table>

### 2017–2020 growth

<table>
<thead>
<tr>
<th></th>
<th>CAGR, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues(^2)</td>
<td>1.4</td>
</tr>
<tr>
<td>EBITDA (AL)</td>
<td>2.3</td>
</tr>
<tr>
<td>Cash contribution (AL)(^1)</td>
<td>3.9</td>
</tr>
</tbody>
</table>

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\(^1\) Cash Contribution (AL) = Adj. EBITDA (AL) – Cash Capex – Special factors (Cash)
\(^2\) Excl. Visitor/Roaming impact

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7\(^{th}\) largest EU telco, bigger than, e.g., Illiad, Telia or KPN

In 2020 Europe’s fastest growing major telco

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Note: EBITDA = Adj. EBITDA AL
Operating in healthy markets with further growth opportunities

Growing economies

- +3.7% GDP growth¹
- Consumer spend on telco services¹

Healthy markets

- 2x 6x 2x
  - 2 MNOs 3 MNOs 4 MNOs
  - Number of full MNOs per market

Imminent growth potential in digital

- 9 countries < median
  - Countries’ DESI³ position in Europe

- €0.05–0.23 per MHz & PoP.²
- Up to €20 bn ∑ 2021–2027
  - EU funds for digitalization

¹ CAGR 2019–2025; source: Euromonitor ² Auctions 2020 & 2021, in GR €0.05, CZ €0.09, AT €0.10, HU €0.10 & 0.22, SK €0.23 ³ DESI = Digital Economy & Society Index 2020
Growing in organic EBITDA for 13 consecutive quarters

Adj. EBITDA AL organic development\(^1,2\)

% yoy

<table>
<thead>
<tr>
<th></th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
<th>Q4/18</th>
<th>Q1/19</th>
<th>Q2/19</th>
<th>Q3/19</th>
<th>Q4/19</th>
<th>Q1/20</th>
<th>Q2/20</th>
<th>Q3/20</th>
<th>Q4/20</th>
<th>Q1/21</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>1.6%</td>
<td>0.8%</td>
<td>3.6%</td>
<td>1.2%</td>
<td>1.5%</td>
<td>2.0%</td>
<td>3.3%</td>
<td>5.7%</td>
<td>3.2%</td>
<td>1.1%</td>
<td>2.1%</td>
<td>1.9%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

Adj. EBITDA AL growth fueled by...

% yoy

Net margin growth\(^3\)

+ 

Adj. indirect cost AL savings

2020

\(^1\) 2018 Adj. EBITDA (on pre IFRS 16 base)  
\(^2\) 2018–2019 before DTCC restatement  
\(^3\) Excl. Visitor/Roaming impact
Our Service revenue benefits from successful FMC propositions and More-for-More

Total service revenue growth in line with the markets...

Organic Total service revenue development, % yoy

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value creation</td>
<td>More-for-More tariff upgrades, rolled out across NatCos and customers migrating to FMC propositions along up- &amp; cross-sell paths</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volume increase</td>
<td>Mobile contract subscribers increased by 2.5 mn (2017–2020) Broadband subscribers increased by 0.8 mn² (2017–2020)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Excl. Visitor/Roaming revenue 2 Excl. UPC acquisition in AT
€320 mn net indirect cost reduction already by 2020, via continuous transformation

Rightsizing the organization, esp. HQ & central business functions

Outsourcing of non-core activities

Simplification of internal processes with digital

Adj. indirect cost AL (organic) €

\[ \approx -320 \text{ mn} \quad (-9\%) \]

\begin{align*}
\text{Share of Net revenue} & \\
2017 & = 32\% \\
2020 & = 30\%
\end{align*}

Total workforce # FTEs\(^1\)

\[ \approx -6,000 \quad (-12\%) \]

\begin{align*}
\text{2017} & \\
\text{3.7 bn} & \\
\text{47k}
\end{align*}

\begin{align*}
\text{2020} & \\
\text{3.4 bn} & \\
\text{41k}
\end{align*}

\(^1\) Excl. Albania \quad \(^2\) Incl. UPC Austria
Fiber rollout more than tripled at stable CAPEX

**5x Rollout run rate**

<table>
<thead>
<tr>
<th>Organic incremental HHs passed</th>
<th>2017</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>mn 1</td>
<td>0.2</td>
<td>1.2</td>
</tr>
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</table>

**3x HH coverage**

<table>
<thead>
<tr>
<th>Fiber HHs coverage</th>
<th>2017</th>
<th>2020</th>
</tr>
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<tbody>
<tr>
<td>% 1,2</td>
<td>7%</td>
<td>22%</td>
</tr>
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</table>

**4x HH connected**

<table>
<thead>
<tr>
<th>Fiber HHs connected</th>
<th>2017</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>mn 1</td>
<td>0.4</td>
<td>1.7</td>
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</tbody>
</table>

**Fiber utilization**

<table>
<thead>
<tr>
<th>HHs connected</th>
<th>2017</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>as % of passed</td>
<td>22%</td>
<td>30%</td>
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</table>

Financed via internal prioritization

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1 FTTH/B & Docsis 3.1 (1 Gbps) in AT, CZ, GR, HR, HU, ME, MK, SK
2 FTTH/B & Docsis 3.1 (1 Gbps) as % of HHs
### CMD 2018 commitments: Delivered

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>FMC revenue (€1.7 bn 2021(^1)): CAGR +25%</td>
<td>+42% (€1.7 bn)(^4)</td>
<td>+42% (€1.7 bn)(^4)</td>
<td>Green</td>
</tr>
<tr>
<td>&gt; 50% App penetration, 30% pure online sales</td>
<td>62% App penetration, 29% mobile online sales(^5)</td>
<td>62% App penetration, 29% mobile online sales(^5)</td>
<td>Green</td>
</tr>
<tr>
<td>Lead in TRI*M: #1/#2 in all markets</td>
<td>B2C: 9/10 NatCos are #1 or #2 in Q4</td>
<td>B2C: 9/10 NatCos are #1 or #2 in Q4</td>
<td>Green</td>
</tr>
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<tbody>
<tr>
<td>FMCC revenue (€0.5 bn 2021): CAGR +10%</td>
<td>+27% (€0.69 bn)</td>
<td>+27% (€0.69 bn)</td>
<td>Green</td>
</tr>
<tr>
<td>20% FMCC portal share</td>
<td>31% B2B self-service penetration</td>
<td>31% B2B self-service penetration</td>
<td>Green</td>
</tr>
<tr>
<td>B2B/ICT revenue: CAGR +7%</td>
<td>+7.4%</td>
<td>+7.4%</td>
<td>Green</td>
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<table>
<thead>
<tr>
<th>Profitable midterm growth</th>
<th>Ambition 2017–2021e</th>
<th>Achievements 2020(^3)</th>
<th>2017–2021e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue growth: CAGR &gt; 1%</td>
<td>+0.9% (+1.4% excl. Covid-19)(^6)</td>
<td>+0.9% (+1.4% excl. Covid-19)(^6)</td>
<td>Green</td>
</tr>
<tr>
<td>Adj. EBITDA (AL) growth: CAGR +1–2%</td>
<td>+2.3%</td>
<td>+2.3%</td>
<td>Green</td>
</tr>
<tr>
<td>Adj. indirect cost (AL) reduction by €0.4 bn</td>
<td>€0.32 bn</td>
<td>€0.32 bn</td>
<td>Green</td>
</tr>
<tr>
<td>Cash contribution (AL)(^2): CAGR +2–4%</td>
<td>+3.9%</td>
<td>+3.9%</td>
<td>Green</td>
</tr>
</tbody>
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\(^1\) NatCos: CZ, GR, HR, ME, MK, RO, SK  
\(^2\) Cash contribution (AL) = Adj. EBITDA (AL) - Cash Capex - Special factors (Cash)  
\(^3\) Actual results 2017–2020, or respectively actuals 2020  
\(^4\) NatCos: AT, CZ, GR, HR, ME, MK, PL, SK. Achievements 2020 EU8: CAGR +37% (€1.7 bn)  
\(^5\) Online channels share of gross adds, tariff changes, contract prolongations and paid add-ons for mobile contract customers  
\(^6\) Visitor/Roaming impact
Strategy
2021–2024
We will move from good to great

**FROM**
- Turning around to sustainable profitable growth
- Improving customer experience
- Strengthening assets, esp. towards convergence
- Moving to digital channels with centrally developed OneApp
- Rightsizing the organization & increasing efficiency
- Strengthening of NatCos’ functional brand promises

**TO**
- Fast growing customer centric & digital telco
- Winning the hearts & minds of our customer
- Truly converged FMC player in every market
- Scaled digital solutions and network cloudification
- Fully digital, agile, lean & customer centric organization
- “Love brand”
We won’t stop…
until we have won the HEARTS & MINDS of our customers

Future growth levers: 2021–2024

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<table>
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<tbody>
<tr>
<td>01</td>
<td>B2C</td>
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<tr>
<td></td>
<td>Customized value propositions &amp; simple customer journeys</td>
</tr>
<tr>
<td>02</td>
<td>B2B</td>
</tr>
<tr>
<td></td>
<td>Address clients with segment specific solutions &amp; experience</td>
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<tr>
<td>03</td>
<td>People, society &amp; environment</td>
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<tr>
<td></td>
<td>Employee engagement, digital inclusion, care for our planet</td>
</tr>
<tr>
<td>04</td>
<td>Networks</td>
</tr>
<tr>
<td></td>
<td>Accelerated gigabit network rollout for best usage experience</td>
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<tr>
<td>05</td>
<td>Digitalization</td>
</tr>
<tr>
<td></td>
<td>Scaled digital solutions across the footprint, cloudified network</td>
</tr>
<tr>
<td>06</td>
<td>Capital allocation</td>
</tr>
<tr>
<td></td>
<td>Leverage power of the region, invest into future growth drivers</td>
</tr>
</tbody>
</table>
Strong commercial momentum in all product categories

**OUR PROOF POINTS**

- **FMC scaled up**
  - 51.1% FMC penetration in Broadband base with 2.7 mn FMC HHs

- **Value play with More-for-More**
  - Mobile ARPU stabilized with More-for-More tariff upgrades

- **Strong net adds performance in all categories**
  - +2.6% Mobile contract, +4.2% Fixed broadband, +19.5% FMC HHs, +2.3% TV

- **Strong TV customer base**
  - 5.1 mn TV customers

- **#1/#2 in customer satisfaction in all NatCos**
  - All-time high TRI*M in EU (69 pts)

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1 By end of 2020 in AT, CZ, GR, HR, HU, ME, MK, PL, SK
2 Customer base end of 2020 vs. end of 2019
Upgrade FMC propositions and capture under-served segments

Addressing customers’ needs in an increasing segmented way & with sharpened propositions

FURTHER SCALE FMC IN ALL MARKETS
Increase Fiber penetration and upgrade in-home Broadband connectivity

DRIVE HH VALUE BY UP- & CROSS-SELL
Push multi-SIMs into HHs/families, best content aggregation for TV & beyond, best user experience CPEs

ENSURE FULL MARKETS COVERAGE
Address under-served segments with youth propositions. Defend with 2nd brands for smart shoppers
Becoming the undisputed #1 in customer experience

Bring customer centricity to the next level

Closed-loop customer centricity program

CONTINUOUS FEEDBACK & IMPROVEMENT ROUTINES

WORRY-FREE & OMNI-CHANNEL CUSTOMER JOURNEYS

CUSTOMER CENTRIC CULTURE & ORGANIZATION

People
Culture
Organization

AMBITION 2024

#1 in TRI*M in every country to reduce churn
Build superior “love brand” experience with impact on society

Creating emotions and connecting with our customers & society in a unique manner

CONVEYING DIGITAL
OPTIMISM

We won’t stop…
until we have connected
everyone to the
opportunities of now

PEOPLE AS
BRAND AMBASSADORS

Employees & customers as passionate advocates

WINNING PEOPLE’S
HEARTS & MINDS

Creating emotions and making people’s life better

AMBITION 2024e

Brand preference
≥ Market share in
every country
Further grow our €6.6 bn\(^1\) business in B2C

Fueled FMC growth and value increase with up- & cross-sell

- **Net adds at fair share**
- **Value market share growth**
- **Net margin growth**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg. #RGUs per HH - and revenue per HH to increase</td>
<td>&gt; 4</td>
</tr>
<tr>
<td>FMC revenue CAGR 2020–2024e</td>
<td>&gt; 10%</td>
</tr>
<tr>
<td>FMC B2C revenue share in full-FMC countries</td>
<td>towards 50%</td>
</tr>
<tr>
<td>FMC households(^2)</td>
<td>4.0 mn</td>
</tr>
</tbody>
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\(^1\) B2C revenue in 2020  
\(^2\) In AT, CZ, GR, HR, HU, ME, MK, PL, SK
We established ourselves as trusted partner for small to large businesses and public sector

OUR PROOF POINTS

- **Integrated ICT player**
  - €1.1 bn revenues, continuously growing with 7% (CAGR 2017–2020)

- **Profitable growth in B2B**
  - Yearly B2B net margin growth by 2% (CAGR 2017–2020)

- **Scaled Cloud propositions via partnerships**
  - Cloud offerings via Microsoft Acceleration Center went live in August 2019, generating €92 mn revenues in 2020 already

- **Partner in digitalizing cities**
  - Smart City revenue doubled with smart lightning, parking, traffic management – launched in most countries
Leading customer centric partner for digitalization of B2B clients

Further scale our €3.3 bn business\(^1\) in B2B with relevant, segment specific value propositions

Share of B2B revenues in 2020

- **Public sector**: Digitalize, smart solutions – utilize recovery funds
- **Large accounts/key accounts**: Connect (SD-x, UCC), store and protect
- **Small & medium businesses**: Magenta x-bundles, easy to deal with and easy to use solutions

\(^1\) B2B revenue in 2020

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**Sector digitalization**

- Public sector: Digitalize, smart solutions – utilize recovery funds
- Large accounts/key accounts: Connect (SD-x, UCC), store and protect
- Small & medium businesses: Magenta x-bundles, easy to deal with and easy to use solutions
Fuel profitable growth in B2B

Manage B2B for profit

€300 mn B2B revenue growth\(^1\)

Grasp B2B opportunities in AT, CZ and PL

≈2% Net margin growth in SMBs & large enterprises

AMBITION 2024e

B2B revenues

\(\text{€ bn}\)

\begin{align*}
\text{2020} & : 3.3 \\
\text{2024e} & : 3.6
\end{align*}

\begin{align*}
\text{CAGR +2\%} & : \text{Fixed}^2 \\
\text{CAGR +5\%} & : \text{IT}^2 \\
\text{CAGR +2\%} & : \text{Mobile} \\
\text{CAGR +0\%} & : \text{Fixed}^2
\end{align*}

\(^1\) Versus 2020

\(^2\) IT = System Solutions, fixed including data communication
Attracting top talents and caring for our people

Highly engaged employees with enthusiasm for best customer experience

EU People & Leadership

CUSTOMER CENTRIC CULTURE & ORGANIZATION

ATTRACTION, DIVERSIFICATION, DIGITAL TALENTS

AGILE, LEAN ORGANIZATION

AMBITION 2024e

Employee satisfaction

Employee engagement

TOP 5-10 In employer ranking
And having a positive impact on society

Making people’s life better

“A clear impact to our communities and help younger generations as well as the elderly to take part in digital opportunities”

“Lower energy consumption/carbon emission & increase in resource efficiency as top priorities for DT EU and all our stakeholders”

AMBITION 2024e

- 100% electricity from renewable sources (2021)
- Circularity contribution: Refurbishment & recycling (devices), reduce waste
- Coding and STEM education for younger generation and helping the elderly on “digital”
- Teaching right usage of digital technology
- Enabling digital schools
Super fast broadband network rollout

OUR PROOF POINTS

- **Step-change in accelerating Fiber rollout**
  - Fiber rollout p.a. x5, reaching 22% coverage with 30% utilization\(^1\)

- **Best mobile network**
  - 98% LTE coverage – 5G launched in most countries\(^2\)

- **Convergence play in all markets**
  - Fast own rollout plus wholebuy & infrastructure sharing

- **Strong 5G spectrum positions in all mid- and C-bands**
  - Successful spectrum acquisitions with spectrum share 30–41%\(^3\)

Networks

**Mobile coverage** (population)
- LTE 98%

**Fiber coverage**\(^1\) (households)
- Fiber 22%

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\(^1\) In AT, CZ, GR, HR, HU, ME, MK, SK until end of 2020
\(^2\) In AT, CZ, GR, HR, HU, PL, SK until end of 2020
\(^3\) HU 41% & 31%, AT 37%, CZ 31%, SK 30%, GR 37% in auctions 2020 & Q1/2021
Undisputed Fiber leader – and we will continue to invest

Gigabit access at affordable prices with best in-home user experience

AMBITI0N 2024e

40% Fiber HHs 1 Gbps coverage
≈10 mn HH

33% Fiber utilization 1 Gbps
> 3 mn HH

SUPER FAST
OWN ROLLOUT
Prioritization within stable Capex, leveraging EU funds

UTILIZATION & PAYBACK
Rollout cost below €400 per HH passed1, further utilization increase via FMC household deep-sell & segments extension, providing payback periods of 10–14 years

COMPLEMENTED WITH PARTNERING
Fiber coverage via infrastructure sharing and wholebuy (additional 4 mn Fiber accesses in PL & CZ)

1 Based on 2020 reported values (fiber rollout & Capex) including households passed street
2 FTTH/B & Docsis 3.1 (1 Gbps) in AT, CZ, GR, HR, HU, ME, MK, SK
Best mobile network

Mobile network with significant 5G population coverage, capable of speeds faster than 1 Gbps

**Strong 5G spectrum position**
Rapid 5G coverage increase, leverage mix of 5G New Radio & Standalone/New Core, to cover all areas from urban to rural

**Accelerated network modernization & upgrade**
Site upgrades & refarming for 5G, Fiber network integration, 3G retirement, demand driven capacity rollout

**Investment optimization**
Applying the right technology mix, partnerships to complement rollout in white spots, Open RAN

---

1 In AT, CZ, GR, HR, HU, ME, MK, PL, SK
We created leading digital platforms

Digitalization & Efficiency

Moving to harmonized API\(^1\) layer across NatCos

Applications
- OneShop
- FMC
- FMCC
- Retail stores
- E-care
- Automation call center

Platforms
- OneApp
- Loyalty
- Order manager
- Product catalogue
- Realtime analytics & engagement
- Payments
- RDK
- Data lake

Harmonized API layer

Country 1 IT/NT backend
Country 2 IT/NT backend
Country 3 IT/NT backend
Country 3 IT/NT backend

OUR PROOF POINTS

- **Central development, local rollout across footprint**
  Centrally developed OneApp with harmonized API\(^1\) live in all NatCos

- **Large scale customer reach via OneApp**
  > 60% of smartphone users use the OneApp each month

- **Personalization & campaigning via OneApp**
  Best tariff proposal based on usage profile via the app

- **Self-care & self-administration via OneApp**
  Error reporting, tariff migration & prolongation, bill payment, etc.

- **Monetizing the OneApp**
  -10% non-sales calls, €1.2 bn payments & top-ups, 300k tariff changes & contract prolongations

\(^1\) Application Programming Interface
Further scaling common digital solutions across Europe

Making digital the preferred way dealing with us

Best user interface for TV content discovery

Digital Telco

- 2018
  - Selfcare
  - Engagement
  - Monetization

- 2019
  - Telco Ecosystem

- 2020
  - Beyond The Core

- 2021

Broadband

Selfcare
Predictive Maintenance
Data Collection
Data Privacy
Machine Learning
Data Analytics
Desktop
Managed WiFi
Smart Home
Security

RDK Ecosystem
Vendor Firmware & Drivers

Television

Content Security
User Management
Linear Content
Subscription Management
On Demand Content
Target Device Customization
Voice
Band IP
360 Customer Experience
Smart Home

Android TV Ecosystem
Vendor Firmware & Drivers

Fault to Repair

- Current - Root to Fault
  - Subscription
  - Product Fault

- Smart Home
  - Service

- 1st time right in provisioning

Ultimate digital in-home Broadband experience

Centrally aided customer journeys – no field trips

AMBITION 2024e

-5–10% Non-sales customer care calls p.a.

-15% Truck rolls¹

30% Transactions share on app

≥ 95% 1st time right in provisioning

¹ Customer initiated field trips to fix service issues
Modernized NT and IT towards cloud & digitally enabled platforms

Substantially reducing Gigabit production costs in NT & IT

MODERNIZATION

Clean up of legacy elements NT/IT, accelerate copper to Fiber migration, field force optimization

Simplification

Simplify service chain architecture & reduce legacy features, clean up portfolio & business rules, automation

Cloudification

Cloudified 5G production with common target architecture, shift voice & data loads on a cloud infrastructure

AMBIITION 2024e

42% of workloads in network cloudified

€300 mn Indirect cost reduction1

One common CaaS product as a multi-cloud proposition

4 NatCos with 5G SA (standalone) core

1 Adj. indirect cost, 2020–2024e
Capital allocation strategy paid off – portfolio strengthened

Further converged portfolio with inorganic moves & partnerships

<table>
<thead>
<tr>
<th>Country</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>UPC merger: EBITDA margin from 34% to &gt; 40%(^1) via strong synergies &amp; implementation</td>
</tr>
<tr>
<td>Poland</td>
<td>Several wholebuy deals done, further in negotiation</td>
</tr>
<tr>
<td>Czech</td>
<td>Own FTTH rollout, CETIN partnership &amp; smaller M&amp;A deals</td>
</tr>
</tbody>
</table>

CETIN co-rollout partnership signed: Add. 11% coverage planned for next 7 years

Streamlined portfolio

<table>
<thead>
<tr>
<th>Country</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>Fixed sold, mobile lean challenger being realized</td>
</tr>
<tr>
<td>Albania</td>
<td>sold</td>
</tr>
</tbody>
</table>

\(^1\) From 2018 to 2021e incl. towers like-for-like

ROCE continuously increased

2017 2018 2019 2020

\(+3pp\)
Stronger as a region – we are more than the sum of the parts

Leveraging synergies across DT group

<table>
<thead>
<tr>
<th></th>
<th>AMBITION 2024e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic co-creation &amp; best practice sharing</td>
<td>Developed only once &amp; moved across footprint</td>
</tr>
<tr>
<td>Team of digital experts</td>
<td>Repeatable playbooks, e.g., for FMC and Home OS – to scale up fast &amp; successfully</td>
</tr>
<tr>
<td>300+ developers in Global Development Center India</td>
<td>Scaling common digital solutions across Europe</td>
</tr>
<tr>
<td>Common IT &amp; data model across NatCos</td>
<td>Fast and efficient in execution &amp; go-to-market</td>
</tr>
<tr>
<td>Core product capabilities inhouse</td>
<td></td>
</tr>
<tr>
<td>Data analytics skills</td>
<td></td>
</tr>
<tr>
<td>Harmonized service chains on cloud architecture</td>
<td></td>
</tr>
</tbody>
</table>

06 CAPITAL ALLOCATION AMBITION
Segment EU is a strong contributor to DT’s equity value

**Strong execution**
- Customer growth
- Cost reduction track record
- Highly digital

**Attractive portfolio**
- Service revenue growth fixed & mobile
- Diversification, offsetting country risks

**Well invested**
- High & growing Gigabit coverage
- 1 mn FTTH build per year
- Good spectrum position/network leadership

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**Growing adj. EBITDA AL (organic)**
- 13 quarters in a row
- 2020–2024e guidance +1.5–2.5% CAGR

**High cash generation**
- Cash conversion\(^1\) growing from 48% in 2020 to 57% in 2024e
- Cash Capex stable 2020–2024e

**Earning cost of capital**
- ROCE > WACC

\(^1\) [Adj. EBITDA AL – Cash Capex – Special factors (Cash)] / Adj. EBITDA AL
Midterm ambition level
## Midterm ambition level

<table>
<thead>
<tr>
<th>Customer centricity</th>
<th>Financials</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year</td>
</tr>
<tr>
<td>• Customer satisfaction: #1 in TRI*M in all markets &amp; brand preference ≥ market share in all countries</td>
<td>2024e</td>
</tr>
<tr>
<td>• Employer ranking: TOP 5–10 in employer ranking in all countries</td>
<td>2024e</td>
</tr>
<tr>
<td>• 5G coverage: &gt; 75%</td>
<td>2024e</td>
</tr>
<tr>
<td>• Fiber coverage: 40%, Fiber connections: &gt; 3 mn</td>
<td>2024e</td>
</tr>
<tr>
<td>• Revenue growth: CAGR(^1) &gt; 1%</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>• Adj. EBITDA AL growth: CAGR +1.5–2.5%</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>• Adj. indirect cost AL: Reduction by €0.3 bn</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>• Cash Capex stable</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>• ROCE further increasing, ROCE &gt; WACC</td>
<td>2021–2024e</td>
</tr>
</tbody>
</table>

\(^1\) Adjusted for MTR