



MEDIA INFORMATION

Bonn, May 20, 2021

Deutsche Telekom plans to accelerate growth over the coming years

- Group announces its targets through to 2024 at the Capital Markets Day
- Adjusted EBITDA AL is to rise by an average 3-5 percent, revenue by 1-2 percent per year
- Adjusted earnings per share are expected to rise to more than 1.75 euros by 2024.
- Dividend is to amount to 40-60 percent of adjusted earnings per share, minimum dividend of 60 euro cents per share
- Focus on fiber, 5G, and digitalization
- Sustainability targets embedded

Deutsche Telekom plans to significantly accelerate its growth in the coming years. At its Capital Markets Day, the Group announced its targets for the period to 2024. Adjusted EBITDA AL is to achieve an average annual growth rate of 3-5 percent, revenue of 1-2 percent. Free cash flow AL is to reach more than 18 billion euros by 2024. In the past financial year, it stood at 6.3 billion euros. All with a comparable composition of the Group and constant exchange rates.

“We step up our efforts,” said CEO Tim Höttges. “We want to outperform the strong development of the last few years and lead the Group into the future with sustainable growth.”



Shareholders are to take part in this success. Adjusted earnings per share is to remain the guideline for the dividend. This figure is set to rise from last year's level of 1.20 euros to more than 1.75 euros by 2024. Subject to approval by the relevant bodies, 40-60 percent of earnings per share is to be paid out. The lower limit for the dividend remains at 60 cents per share. Deutsche Telekom raised the minimum dividend to this level in November 2019.

For the coming years, Deutsche Telekom has identified five key action areas and defined targets for them:

Turning customers into fans

Deutsche Telekom wants to be a leader in terms of customer experience – in mobile communications, in the fixed network, and in convergent product packages. Superior networks and best-in-class service are the building blocks for this. With this approach, the Group wants to increase the number of households using product packages that combine fixed network and mobile communications in Germany, the Europe segment, and the Netherlands to over 10 million. In the United States, T-Mobile US is set to continue industry-leading customer growth.

Lead in B2B in Europe

Deutsche Telekom wants to be the leading digital enabler in the B2B market with integrated software-based solutions. On this basis, revenues with business customers in the Germany and Europe operating segments are to rise by an average annual growth rate of around 2 percent to 2024. In the United States, T-Mobile US wants to double its share of the business customer market.

A new level of sustainability

The Group tightened its climate targets back in April. Deutsche Telekom will become climate neutral in terms of its own emissions (Scope 1 and 2) by as early as 2025. From 2040, 10 years earlier than the original target, this will apply to the entire value chain (Scope 1,2 und 3). The compensation for Board



of Management members already contains components based on targets such as reducing energy consumption and emissions. In the future, this is also to be the case for management levels below the Board of Management.

Number one in fiber and 5G

Deutsche Telekom invests massively in the network build-out. The percentage of customers in Germany who can book a pure fiber line (FTTH) from Deutsche Telekom is to increase from the current level of around 5 percent to more than 60 percent by 2030. To this end, the build-out will be continuously driven forward. From 2024, more than 2.5 million FTTH lines are to be added per year. The 5G mobile communications standard is to cover 97 percent of the population in Germany by 2024.

We continue to drive digitization

Deutsche Telekom will continue to digitize its business at all levels. This will fundamentally transform areas such as network technology, IT, and operations, increase agility and productivity, and cut costs. We expect 30 percent of purchases by customers in Germany to go via our electronic channels by 2024.

In addition to the operational action areas, Deutsche Telekom continues its active, value-driven portfolio management as in previous years. In light of this, the Group regularly assesses its investments for possibilities to further increase their value – currently with a focus on T-Mobile Netherlands and the tower portfolio. In both cases, without preconceived views as to an outcome and with no time pressure.



This media information contains forward-looking statements that reflect the current views of Deutsche Telekom management with respect to future events. They are generally identified by the words “expect,” “anticipate,” “believe,” “intend,” “estimate,” “aim,” “goal,” “plan,” “will,” “seek,” “outlook,” or similar expressions and include generally any information that relates to expectations or targets for revenue, adjusted EBITDA, or other performance measures. Forward-looking statements are based on current plans, estimates, and projections, and should therefore be considered 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. They include, for instance, the progress of Deutsche Telekom’s staff-related restructuring measures and the impact of other significant strategic or business initiatives, including acquisitions, dispositions, and business combinations. In addition, movements in exchange rates and interest rates, regulatory rulings, stronger than expected competition, technological change, litigation and regulatory developments, among other factors, may have a material adverse effect on costs and revenue development. If these or other risks and uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, Deutsche Telekom’s actual results may be materially different from those expressed or implied by such statements. Deutsche Telekom can offer no assurance that its expectations or targets will be achieved. Without prejudice to existing obligations under capital market law, Deutsche Telekom does not assume any obligation to update forward-looking statements to account for new information or future events or anything else. In addition to figures prepared in accordance with IFRS, Deutsche Telekom presents alternative performance measures, e.g., EBITDA, EBITDA AL, adjusted EBITDA, adjusted EBITDA AL, adjusted EBITDA margin, adjusted EBIT, EBIT margin, adjusted net profit/loss, adjusted earnings per share, free cash flow, free cash flow AL, gross debt, and net debt. These 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.



LIFE IS FOR SHARING.

Deutsche Telekom AG

Corporate Communications

Tel.: +49 (0) 228 181 – 49494

Email: media@telekom.de

Further information for the media at:

www.telekom.com/en/media

<https://www.telekom.com/en/media/mediacenter/images>

www.twitter.com/deutschetelekom

www.facebook.com/deutschetelekom

www.telekom.com/blog

www.youtube.com/deutschetelekom

www.instagram.com/deutschetelekom

About Deutsche Telekom: www.telekom.com/en/company/company-profile