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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, 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.
# Capital Markets Day 2021

## Agenda

### Thursday, May 20th

<table>
<thead>
<tr>
<th>Event</th>
<th>Speaker</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Strategy</td>
<td>T. Höttges, CEO</td>
<td>5</td>
</tr>
<tr>
<td>Germany</td>
<td>S. Gopalan, Board Member for Germany</td>
<td>45</td>
</tr>
<tr>
<td>Europe</td>
<td>D. Leroy, Board Member for Europe</td>
<td>79</td>
</tr>
<tr>
<td>T-Mobile US</td>
<td>M. Sievert, CEO TMUS</td>
<td>115</td>
</tr>
</tbody>
</table>

### Friday, May 21st

<table>
<thead>
<tr>
<th>Event</th>
<th>Speaker</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology &amp; Innovation</td>
<td>C. Nemat, Board Member for Technology &amp; Innovation</td>
<td>171</td>
</tr>
<tr>
<td>Systems Solutions</td>
<td>A. Al-Saleh, Board Member for T-Systems</td>
<td>193</td>
</tr>
<tr>
<td>Group Development</td>
<td>T. Langheim, Board member for USA and Group Development</td>
<td>213</td>
</tr>
<tr>
<td>Finance</td>
<td>C. Illek, CFO</td>
<td>237</td>
</tr>
</tbody>
</table>

Recordings available on YouTube
[www.telekom.com/cmd21](http://www.telekom.com/cmd21)
Group Strategy
Tim Höttges
Key messages

01 Delivery
We have delivered on our promises from last CMD & will do so again

02 Growth
We will continue growing all relevant financials (Revenue, adj. EBITDA AL, FCF AL, ROCE, adj. EPS) ... at low risk (execution strength, AAA markets)

03 Network leadership
We remain dedicated network investors & will efficiently underpin our leading 5G & Fiber position... our investments are self-funded

04 US majority
We will take the path to US majority... at attractive conditions & leveraging TMUS shareholder returns

05 Efficiency
We digitalize the full stack end-to-end to support bottom-line growth via higher efficiency & to enable future-proof operations

06 Shareholders
We guarantee attractive shareholder returns with dividends being 40–60% of adj. EPS, our dividend floor remains at €60 c minimum
Accelerating our path to value creation

**ORGANIC GROWTH**
- Our flywheel works
- Proven execution

**CAPITAL ALLOCATION/PORTFOLIO**
- Invest in “leading” Fiber & 5G networks... and monetize
- Focus on structurally healthy markets only
- Secure US majority (> 50%)
- Deleverage & return to corridor in 2024
- Strategic reviews for TMNL & Towers

**SHAREHOLDER VALUE**
- Adj. EPS
  - €/share
  - 2021e: > 1.10
  - 2024e: > 1.75
- Dividends
  - 40–60% of adj. EPS, with minimum of €60 c
Review
2017–2021
A strategy is a strategy is a strategy

Lead in customer experience
One connectivity & perfect service

Grow
Lead in technology
Integrated gigabit networks

Lead in business productivity
Secure ICT solutions & big IoT

Save for growth investments

Simplify, digitalize, accelerate & act responsibly
We grow on both sides of the Atlantic

DT ex. US
Adj. EBITDA AL, € bn

<table>
<thead>
<tr>
<th>Year</th>
<th>DT ex. US Adj. EBITDA AL, € bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>12.9</td>
</tr>
<tr>
<td>2018</td>
<td>13.0</td>
</tr>
<tr>
<td>2019</td>
<td>13.6</td>
</tr>
<tr>
<td>2020</td>
<td>14.0</td>
</tr>
<tr>
<td>2021e</td>
<td>14.4</td>
</tr>
</tbody>
</table>

T-Mobile US
Adj. EBITDA AL, € bn

<table>
<thead>
<tr>
<th>Year</th>
<th>T-Mobile US Adj. EBITDA AL, € bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>9.3</td>
</tr>
<tr>
<td>2018</td>
<td>10.1</td>
</tr>
<tr>
<td>2019</td>
<td>11.1</td>
</tr>
<tr>
<td>2020</td>
<td>21.0</td>
</tr>
<tr>
<td>2021e</td>
<td>&gt; 22.7</td>
</tr>
</tbody>
</table>

1 CAGR +3%2
2 CAGR +25% (org. +9%)2,3

1 On pre IFRS 16 base
2 CAGR based on annual growth rates on a like-for-like basis
3 25% inorganic CAGR incl. Sprint; 9% organic CAGR w/o Sprint; corrected for handset leases “Core EBITDA”
We invest a lot for a sustained growth momentum

High investments...
Group Cash Capex excl. Spectrum, € bn

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>12.1</td>
<td>12.2</td>
<td>13.1</td>
<td>17.0</td>
<td>18.0</td>
</tr>
<tr>
<td>DT ex. US</td>
<td>7.5</td>
<td>7.8</td>
<td>7.8</td>
<td>7.7</td>
<td>7.7</td>
</tr>
</tbody>
</table>

... while delivering on FCF...
Group FCF AL, € bn

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5</td>
<td>6.2</td>
<td>7.0</td>
<td>6.3</td>
<td>&gt;8.0</td>
<td></td>
</tr>
<tr>
<td>2.2</td>
<td>3.2</td>
<td>4.1</td>
<td>3.0</td>
<td>&gt;4.5</td>
<td></td>
</tr>
<tr>
<td>3.3</td>
<td>3.3</td>
<td>2.9</td>
<td>3.3</td>
<td>3.6</td>
<td></td>
</tr>
</tbody>
</table>

... and creating the baseline for future growth

GER (YE 2020)
- 99% LTE HH cov., 67% 5G PoP cov.
- 82.5% FTTC HH cov.

EU (YE 2020)
- 98% LTE PoP cov., 43%/29% 5G PoP cov. in GR/AT
- > 4 mn FTTH/B HH cov. in GR, HU, SK & HR

TMUS (YE 2020)
- Leading spectrum position
- > 99% LTE PoP cov., 5G cov. > 280 mn people

1 10% inorganic CAGR; 3% organic CAGR based on annual growth rates on a like-for-like basis; DT ex. US 2017 organic: €7.6 bn
2 Before dividend payments & spectrum invest, in 2020 also before Payer Swap & Zero Bond
3 10% inorganic CAGR; 14% organic CAGR based on annual growth rates on a like-for-like basis
4 On pre IFRS 16 base
5 Decline due to merger related cash payments
6 Extended 5G coverage
Outinvest pays off: We are gaining customers across footprint

GER
Mobile postpaid customers
CAGR 2017–2020

EU
Mobile postpaid customers
CAGR 2017–2020

US
Mobile postpaid customers
CAGR 2017–2020

NL
Mobile postpaid customers
CAGR 2017–2020

MARKET LEADER

MOBILE ATTACKER

1 Excl. Lebara
2 29% inorganic CAGR incl. Sprint; 11% organic CAGR w/o Sprint
3 25% inorganic CAGR; 7% CAGR incl. Tele2 & excl. SIMPEL + excl. consolidation impacts
US: Deal closed, new #2 created & delivered best performance ever

The “new T-Mobile US”: Baseline for leadership set

<table>
<thead>
<tr>
<th>Value creation &amp; deal cornerstones</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value of DT share in TMUS, $ bn^2</td>
</tr>
<tr>
<td>≈$44 bn</td>
</tr>
<tr>
<td>Value creation of DT shares since CMD 2018</td>
</tr>
<tr>
<td>$76 bn</td>
</tr>
</tbody>
</table>

> 102 mn
Branded customers

$167.4 bn
Market cap
YE 2020^2

$68.4 bn
Revenues
2020^3

292 MHz
mid-band spectrum^4

$32 bn
CMD 2018

$42 bn
January 2020

> 43%
DT ownership in T-Mobile US^3

101.5 mn shares
Path to majority negotiated, option for additional shares

1 YE 2020  2 May 14th, 2021  3 FY 2020  4 Current mid-band holdings after clearance, 2024+
Cleaned the garage, created new growth & kept discipline:

- Divested RO fixed line asset (€268 mn)
- Divested Telekom ALB (€50 mn)
- Toll Collect €9.6 bn arbitration risk, DT to pay €550 mn

- FMC merger AT (+93% FMC HH\(^2\)) & NL (+250% Broadband net adds\(^2\))
- Turn-around NL (+62% market share\(^2\)), now #1 mobile
- Towers separated (DFMG, AT, NL) & actively managed (NL: €650 mn realized)

Kept Discipline: We said “No” to...

- ... off-footprint acquisitions
- ... expensive premium content deals
- ... big adjacency acquisitions

---

\(^1\) 2019 vs. 2020 \(^2\) 2017–2020
Consequently, we grow on all levels & outperform peers...

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (€ bn)</th>
<th>Adj. EBITDA AL (€ bn)</th>
<th>FCF AL (€ bn)</th>
<th>TSR (May 23rd, 2018 – May 14th, 2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+40.5%</td>
</tr>
<tr>
<td>2017</td>
<td>74.9</td>
<td>22.2</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>101.0</td>
<td>35.0</td>
<td>6.3</td>
<td>[vodafone, orange, Telefónica]</td>
</tr>
<tr>
<td>2021e</td>
<td>≈109.0</td>
<td>&gt; 37.0</td>
<td>&gt; 8.0</td>
<td>[vodafone, orange, Telefónica]</td>
</tr>
</tbody>
</table>

1. 10% inorganic CAGR; 3% organic CAGR based on annual growth rates on a like-for-like basis
2. On pre IFRS 16 base
3. 14% inorganic CAGR; 6% organic CAGR based on annual growth rates on a like-for-like basis; Corrected for handset leases “Core EBITDA”
4. Before dividend payments & spectrum invest, in 2020 also before Payer Swap & Zero Bond
5. 10% inorganic CAGR; 14% organic CAGR based on annual growth rates on a like-for-like basis
6. Decline due to merger related cash payments
7. Source: FactSet
... and make cultural change happen – now stronger than ever

> 30% of our employees work in an agile environment, > 300 Product Owners & Scrum Masters in GER¹

8 BoM members, 4 nationalities, > 30% women’s quota on BoM¹

#Hot Topics: Sustainability, Tech for Good, No Hate
#All Channels:

85% of our employees are proud to be “T”, we can count on 200 Telekom Ambassadors¹

¹ YE 2020
### CMD 2018 commitments: Strong delivery

<table>
<thead>
<tr>
<th>Metric</th>
<th>Ambition 2017–2021e</th>
<th>Achievements 2020¹</th>
<th>2017–2021e³</th>
<th>Merger impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue CAGR</td>
<td>1–2%</td>
<td>3.0%</td>
<td>(Dilutive)</td>
<td></td>
</tr>
<tr>
<td>Adj. EBITDA (AL) CAGR</td>
<td>2–4%</td>
<td>6.4%/7.7%²</td>
<td>(Dilutive)</td>
<td></td>
</tr>
<tr>
<td>Adj. EBITDA (AL) CAGR (ex US)</td>
<td>2–3%</td>
<td>3.3%</td>
<td>(Dilutive)</td>
<td></td>
</tr>
<tr>
<td>FCF (AL) CAGR</td>
<td>≈10%; 2021: &gt; €8 bn</td>
<td>9.6%</td>
<td>(Dilutive)</td>
<td></td>
</tr>
<tr>
<td>FCF (AL) (ex US)</td>
<td>2021: ≈€4 bn</td>
<td>€3.3 bn</td>
<td>(Dilutive)</td>
<td></td>
</tr>
<tr>
<td>Adj. EPS</td>
<td>2021: ≈€1.2</td>
<td>€1.2 (€1.05 ex SB options)</td>
<td>(Dilutive)</td>
<td></td>
</tr>
<tr>
<td>ROCE</td>
<td>ROCE &gt; WACC</td>
<td>4.6% &gt; WACC</td>
<td>(Dilutive)</td>
<td></td>
</tr>
<tr>
<td>Cash Capex (ex US)</td>
<td>Stable</td>
<td>Stable</td>
<td>(Dilutive)</td>
<td></td>
</tr>
<tr>
<td>Adj. indirect cost (AL) (ex US)</td>
<td>€1.5 bn (net savings)</td>
<td>€1.4 bn</td>
<td>(Dilutive)</td>
<td></td>
</tr>
<tr>
<td>Dividend</td>
<td>To reflect growth in adj. EPS; €50 c floor</td>
<td>€60 c in 2020</td>
<td>(Dilutive)</td>
<td></td>
</tr>
</tbody>
</table>

¹ On a like-for-like basis, actual results 2017–2020, or respectively actuals 2020
² Corrected for handset leases “Core EBITDA”
³ Merger impact taken into consideration
Telco vision 2030
Let’s imagine our world...

... in 2030
Paradigm shifts ahead – our telco vision 2030

01 B2C: From connectivity to customer experience

02 B2B: From dedicated to software-driven enterprise solutions

03 From ESG as hygiene factor to ESG as differentiator

04 From monolithic incumbent to orchestrator – network of networks

05 From vertical silos to Telco-as-a-platform – cloud-native, API-based
From connectivity to customer experience

Connectivity everywhere: Massive devices as real-time data sources

New form of connectivity: Embedded & context-aware QoS

- **Embedded connectivity**
  - Always best connected with Telekom
  - Buy it & use it... integrated, secure connectivity – modular & off-the-shelf

- **Dynamic & context-aware**

  - **Consumer IoT**
    - QoS: Low power
  - **Mobile gaming**
    - QoS: Low latency
  - **8K conference**
    - QoS: High bandwidth

- 5G network slice
- Home network slice

**Data streams & customer ID controlled by...**
- Hyperscalers or Telcos?!

**DT Router/Mesh**
- > 15 mn² in GER & EU

**Magenta TV**
- 9 mn² in GER & EU

**25 bn connected things in 2030¹**

¹Source: Statista ²YE 2020
From dedicated to software-driven enterprise solutions

**Communication**
- Voice, data and messaging services
  - **VOICE**

**Security**
- Central enterprise firewalls
  - **Cisco**
  - Context-specific app security (zero-trust network, secure access service edge)

**Mobile connectivity**
- Mobile best effort data connectivity
  - Secure, dedicated network slices

---

One-stop-shop; Global connectivity offerings

---

**FROM**
- Voice, data and messaging services

**TO**
- Enterprise Communications & Collaboration (ECC) solutions integrated into office suites
From ESG as hygiene factor to ESG as differentiator

ESG has become a social norm

Consumer behavior driven by social & environmental consciousness

ESG industry standards defined by politics & NGOs

Impact on industry on all levels

- ESG compliance driving shareholder value
- Low-carbon economy
- Green energy & CO₂ offsetting
- Executive pay & fin. reporting linked to ESG
- Enabling of CO₂ reduction as differentiator

1 DT in GER in 2020: 7.1, figure exemplary for enablement factor as differentiator
From monolithic incumbent to orchestrator – network of networks
From vertical silos to Telco-as-a-platform – cloud-native, API-based

Digital-first customer experience & service operations


Telco as a platform: Scalable software integration layer

- Unified data & analytics engine
- Network/multi-domain orchestration
- Product/service development
- Embedded security
- Platform-based services

Telco & partner networks, services & capabilities via microservices & APIs

- DT service 1
- DT service 2
- DT service 3
- DT service...
- Telco service 1
- Telco service 2
- Telco service...
- Partner service 1
- Partner service 2
- Partner service 3
- Partner service 4
- Partner service...

Harmonized business logics and APIs
Strategy
2021–2024
These paradigm shifts drive our strategy evolution

<table>
<thead>
<tr>
<th>What is right, stays right</th>
<th>Paradigm shifts ahead – telco vision 2030</th>
<th>Future growth levers: 2021–2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grow</td>
<td>01 B2C From connectivity to customer experience</td>
<td>Grow by turning customers into fans</td>
</tr>
<tr>
<td></td>
<td>02 B2B From dedicated to software-driven enterprise solutions</td>
<td>Become digital enabler</td>
</tr>
<tr>
<td></td>
<td>03 People, society &amp; environment From ESG as hygiene factor to ESG as differentiator</td>
<td>#GreenMagenta, #GoodMagenta</td>
</tr>
<tr>
<td></td>
<td>04 Networks From monolithic incumbent to network orchestrator</td>
<td>Build, orchestrate &amp; differentiate</td>
</tr>
<tr>
<td></td>
<td>05 Digitalization From vertical silos to Telco-as-a-platform – cloud-native, API-based</td>
<td>Digitalize, digitalize, digitalize ... the full stack</td>
</tr>
</tbody>
</table>

A strategy is a strategy... is a strategy!

Grow

- Lead in customer experience
- Lead in technology
- Lead in business productivity

Save for growth investments
Simplify, digitalize, accelerate & act responsibly

ONE CONNECTIVITY & PERFECT SERVICE
INTEGRATED GIGABIT NETWORKS
SECURE ICT SOLUTIONS & BIG IOT

People, society & environment

From ESG as hygiene factor to ESG as differentiator
Loyalty drives better monetization

OUR PROOF POINTS

- **Leading in FMC**
  FMC penetration $^1$ in Broadband base – GER: $\approx26\%$ & EU: $51.1\%$

- **Un-carrier in the US, new #2**
  81.4 mn branded postpaid customers, +5.5 mn net adds yoy$^1$

- **Present in Europe’s living rooms, entered in US**
  GER & EU: 9 mn TV customers$^2$,
  US: Broadband offer for homes started

- **Best service = lead in customer satisfaction**
  All-time high TRI*M in GER (64 pts)$^2$ + EU (69 pts)$^2$ & NPS in US (79%)$^2$

---

$^1$ 2019 vs. 2020  
$^2$ YE 2020
Grow by turning customers into fans

**LEAD IN FMC EXPERIENCE**

GER FMC penetration in Broadband customer base

- x1.5–2
- \( \approx 26\% \)
- 2020
- 2024e

**BEST MOBILE EXPERIENCE**

TMUS postpaid & home Broadband customer ambitions

- **Ambitions:**
  - Industry leading growth in branded postpaid customers incl. 7–8 mn home Broadband customers (by 2025)

**DIFFERENTIATED SERVICE**

GER first contact resolution rate

- 52pt
- 2020
- 60pt
- 2024e

**AMBITION 2024e**

- \( \approx 10 \text{ mn} \) FMC households

- Industry leading growth in branded postpaid customers
- Extend all-time-high customer satisfaction
- Rejuvenate brand & raise digital optimism

- Best connectivity experience
- Seamless interplay
- Innovations beyond core
- Personalized, offline & digital
- 1st time right
- “Heimvernetzung”
Trusted B2B partner for connectivity & digitalization

OUR PROOF POINTS

- GER B2B with unique market position
  Market leader in TC

- GER B2B leading in customer satisfaction
  TRI*M at all-time high (77 pts), DT preferred TC brand

- T-Mobile for Business catching up in B2B
  Double-digit service rev growth yoy, serving 75% of Fortune 500

- TSI leading IT Service provider...
  #1 in GER & #2 in DACH with 4% growth in growth offerings

- ... with outstanding customer satisfaction
  TRI*M of 89 pts and brand personality rating of 79

1 2017–2020  2 YE2020
Leading B2B telco in Europe & digital enabler across footprint

**WAN SHIFTS TO THE CLOUD**

**SD-WAN end user spending**

$ bn

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2024e</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAGR</td>
<td>+36%</td>
<td></td>
</tr>
<tr>
<td>$ bn</td>
<td>0.7</td>
<td>2.4</td>
</tr>
</tbody>
</table>

**ECC WITH TAILWIND**

**UC end user spending**

$ bn

<table>
<thead>
<tr>
<th>Year</th>
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<th>2024e</th>
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<tr>
<td>$ bn</td>
<td>7.1</td>
<td>11.7</td>
</tr>
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</table>

**AMBITION 2024e**

- **≈+2%** B2B revenue CAGR
- **≈x2** B2B market share
- **x2** IoT revenue (to €0.6 bn)
- **> +50%** Public cloud revenue (to €0.5 bn)

**Enterprise networks**

Manage value of customer base & create next gen portfolio (SDx, ECC, 5G Campus, ...)

**IoT & security**

Beyond core: Leverage best networks & global footprint to scale growth topics

**Cloud & Digital**

Secure multi-cloud & digital environments with strong industry orientation & sovereignty at the core

---

1. In Europe
2. Source: Gartner
3. UC = Unified Communications, significant share of ECC (Enterprise Communications & Collaboration)
4. DT Group external, GER w/o Smart City
5. DT Group internal/external
Leading European telco also means responsibility!
DT = we care for our society and our environment...

OUR PROOF POINTS

Caring for our climate...
- Green networks\(^1\), long-term agreements with wind/solar parks\(^2\)

... and for more resource efficiency
- > 2 mn\(^3\) devices recycled, sustainable packaging T-branded devices

Delivered for society & employees in the pandemic
- +27 mn downloads CoronaWarnApp, kept customers connected

BoM with ESG-based incentive schemes
- 2010: ROCE, adj. EPS, customer & employee satisfaction in BoM LTI
- 2021: Energy & CO\(_2\) in BoM STI

---

\(^1\) 100% renewable energy: Achieved 2020 for DT Group in GER (TDG, GHS, TSI), Magyar Telekom (HU), OTE (GR), T-Mobile Netherlands (NL), T-Mobile Austria (AT), 2021 worldwide

\(^2\) TMUS & GER

\(^3\) Devices recycled since November 2019
... and for our employees

OUR PROOF POINTS

- **Future oriented skill management**
  > 1,100\(^1\) new skill profiles with focus on IT skills

- **Passionate employees and living culture**
  New corporate identity (#WEWILLNOTSTOP); 85%\(^2\) brand identity

- **Cutting edge in digital learning**
  2.1 mn digi learning hrs., high digi learning quota & satisfaction\(^3\)

- **Best place to work & grow**
  Employee satisfaction (+8 pp yoy)\(^4\), ranked “Best Place to Work”\(^5\)

- **International & diverse leadership team**
  8 BoM members, 4 nationalities, > 30% women’s quota

---

\(^1\) 2019 & 2020, excl. US  \(^2\) in 2020, excl. US  \(^3\) 11/2020 (vs. 11/2019): Digital learning hours 2.1 mn (vs. 1.8 mn), digital learning quota 68% (vs. 46%), user satisfaction 85% (vs. 79%), excl. US
\(^4\) 2019 vs. 2020, excl. US  \(^5\) TMUS 3rd year ranked on Glassdoor as “Best Place to Work”; ranked #42 in “Fortune 100 Best Companies to Work For 2020”
#GreenMagenta, #GoodMagenta... driving ESG to next level

**AMBITION NEXT YEARS**

**100%**

Electricity from renewables for DT Group in 2021

**0%**

Scope 1+2: Net Zero own emissions 2025\(^1\)
Scope 3: Net Zero emissions value chain 2040\(^2\)

Increase in energy efficiency during network growth

**ESG incentives**

Since 2010: ESG-based LTI for BoM (customer & employee satisfaction, ...)

Since 2021: Energy & CO\(_2\) in BoM STI; next: ESG STI beyond BoM

---

\(^1\) Net Zero for Scope 1+2 (emissions from own activities & from purchased energy)  
\(^2\) Zero value chain emissions incl Scope 3 (emission from upstream & downstream activities)
Leadership extended; baseline set to become even better

**OUR PROOF POINTS**

- **Leading in 5G**
  - US (85/32%\(^1\))
  - GER (67\%\(^2\))
  - EU (spectrum share 30–41\%\(^2\))
  - NL (91\%\(^2\))

- **Strong monetization of Broadband network**
  - GER (Broadband net add share > 50\%\(^2\))
  - EU (+4.2\% fixed Broadband\(^3\))

- **Successfully ramping-up Fiber rollout**
  - GER (+0.6 mn\(^4\))
  - EU (+0.9 mn\(^4\))
  - < €1,000 cost/home passed\(^6\)

- **Shaped investment-friendly environment**
  - #Nebenkostenprivileg
  - #Fixedlineregulation

---

1. 600 MHz/2.5GHz
2. Coverage at YE 2020
3. FY 2020
4. 2020 vs. 2019, homes passed
5. NatCos: AT, CZ, GR, HR, HU, ME, MK, SK
6. GER
Build, orchestrate & differentiate... #1 in Fiber & 5G

**Fiber ambition**

**GER HH coverage**
- Today: 
  - ADSL: ≈83% FTTC
  - ≈5% FTTH
- 2030e: 
  - 3rd party: FTTC > 60% FTTH

**OWNERSHIP**
- GER HH coverage 2030e: > 60% FTTH

**ECONOMICS**
- GER HH coverage 2030e: > 60% FTTH

**MONETIZATION VIA DIFFERENTIATION**

**AMBITION 2024e**
- x4 Fiber HH up to 2.5 mn p.a.
- +0.2 mn Fiber HH^3 to 1.1 mn p.a.

**Bring 5G to the masses**
- 97% 5G PoP coverage
- ≥ 75% 5G PoP coverage
- ≈97% 5G coverage (already 2022e)^2

**GER retail market share**
- ≈39%
- ≥ 40%

Source: Capital IQ, Ericsson

1. NatCos in AT, CZ, GR, HR, HU, ME, MK, SK
2. 600 MHz, 90% for 2.5 GHz in 2023e
We are taking digitalization seriously

**OUR PROOF POINTS**

- **Strong digital reach**
  App penetration 56%\(^1\) in GER & 62%\(^1\) in EU

- **IP migration completed, seeing the benefits**
  42%\(^2\) remote provisioning share in GER

- **Reduced time to market**
  From ≈18 to 3.5 months in GER & to 1.7 months in EU

- **Scaling RPA for automation**
  Largest bot farm in Europe with > 3,000 bots\(^1\) live

\(^1\) YE 2020 \(^2\) YE 2017 vs. YE 2020
Digitalize, digitalize, digitalize... the full stack

- Boost eSales & digital reach
- Service automation & remote provisioning
- Predictive & proactive maintenance

**CUSTOMERS & FRONTLINE**

**NETWORK & IT**
- Open RAN & cloudification
- Agile, cloud-native IT (#time-to-market)

**OPERATIONS**
- Scale RPA & AI...
- ... to boost internal efficiency (+€300 mn EBITDA AL impact by 2024e)

**AMBITION 2024e**
- 30% eSales share
- 25–30% eSales share
- 2.0 Months time-to-market
- 1.0 Month time-to-market
Consciously said “NO” to various opportunities
3x Sprint M&A rejected, no invest in premium content rights
Successful investment vehicle established
DT Capital Partners with over > $1 bn AuM

Superior & resilient portfolio
Organic EBITDA AL growth in DT ex. US (3%)²

US deal = Most value-creating telco merger
New #2 player, synergies ahead of time, new mgt. onboarded

New growth stories, value destruction resolved
AT & NL FMC merger, NL Tower Merger + DIV, RO fixed-line sold

Consciously said “NO” to various opportunities
3x Sprint M&A rejected, no invest in premium content rights

² YE 2019 vs. YE 2020

Superior portfolio: High ROCE, strong execution track record

OUR PROOF POINTS
We leverage our unique portfolio & generate synergies across group

**TRANSLANTIC LEADERSHIP**
Leverage weight across AAA markets in Western hemisphere

**BUILD ONCE AND SCALE**
Generate synergies & scale innovation across footprint

**REPEATABLE PLAYBOOK**
Leverage best practices across footprint

---

**AMBITION 2024e**

- **+50%** ROCE in region GER
- **≈x2** B2B market share accelerated by B2B learnings in Europe

**SCALE** OneApp

- **75%** of router base with own DT OS

---

**DT market position**
#1 in Europe
#1 US soon to be

**EU OneApp Penetration**
- 62% in 2020
- 80% in 2024e

**Mobile customers**
- +29% in 2024e (org. +11%)
- +25% incl. Tele2 & excl. SIMPEL + excl. consolidation impacts

**FMC HH**
- +6.5% incl. Sprint

---

¹ CAGR 2017–2020
² 29% inorganic CAGR incl. Sprint; 11% organic CAGR w/o Sprint
³ 25% inorganic CAGR; 7% CAGR incl. Tele2 & excl. SIMPEL + excl. consolidation impacts
Midterm ambition level
## Midterm ambition level

<table>
<thead>
<tr>
<th>Metric</th>
<th>Ambition Level</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td></td>
<td>2020–2024e</td>
</tr>
<tr>
<td>Total service revenues</td>
<td></td>
<td>2020–2024e</td>
</tr>
<tr>
<td>Adj. EBITDA AL</td>
<td></td>
<td>2020–2024e</td>
</tr>
<tr>
<td>Adj. Core EBITDA AL</td>
<td></td>
<td>2020–2024e</td>
</tr>
<tr>
<td>FCF AL</td>
<td></td>
<td>2024e</td>
</tr>
<tr>
<td>Adj. EPS</td>
<td>&gt; €1.75</td>
<td>2024e</td>
</tr>
<tr>
<td>ROCE</td>
<td>&gt; 6.5%</td>
<td>2024e</td>
</tr>
<tr>
<td>Cash Capex</td>
<td>Ex US: ≈€8.2 bn</td>
<td>2024e</td>
</tr>
<tr>
<td>Adj. indirect cost AL</td>
<td>Ex US: -€1.2 bn (net savings)</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>Shareholder remuneration policy²</td>
<td>Adj. EPS payout ratio 40–60%, Floor €60 c</td>
<td>2021–2024e</td>
</tr>
</tbody>
</table>

¹ Based on constant exchange rates (average exchange rate 2020 of €1 = US$1.14) and no further changes in the scope of consolidation ² Subject to necessary AGM approval and Board resolution
Germany
Srini Gopalan
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%\(^1\) and Capex efficiency. ROCE will grow to significantly > WACC.

\(^1\) CAGR 2020–2024e
Review
2017–2021
We have delivered, despite IP migration and Covid-19 headwinds

<table>
<thead>
<tr>
<th>Mobile service revenue(^1)</th>
<th>€ bn</th>
<th>CAGR 2021(^e) (\approx +2%)</th>
<th>CAGR +1.4%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2020</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Broadband revenue(^2)</th>
<th>€ bn</th>
<th>CAGR 2021(^e) (+3–4%)</th>
<th>CAGR +4.6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2020</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adj. EBITDA (AL)(^3)</th>
<th>€ bn</th>
<th>CAGR 2021(^e) (+2–2.5%)</th>
<th>CAGR +1.9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2020</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash contribution (AL)(^4)</th>
<th>€ bn</th>
<th>CAGR 2021(^e) (+4–5%)</th>
<th>CAGR +4.8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2020</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. 1pp 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%

Increased IT stability almost doubled

Record high Customer satisfaction +7 pts in TRI*M

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>Ambition level 2017–2021e</th>
<th>Achievements 2020⁶</th>
<th>2017–2021e</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%¹</td>
<td>• +1.4% (+2.2% excl. Covid-19)</td>
<td></td>
</tr>
<tr>
<td>• #1 Broadband revenue: CAGR +3–4%²</td>
<td>• +4.6%</td>
<td></td>
</tr>
<tr>
<td>• MagentaEINS share of Broadband households: ≈30%</td>
<td>• ≈26%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Lead in business productivity</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• B2B revenue growth by +€500 mn</td>
<td>• +€110 mn (+€350 mn excl. Covid-19)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Lead in technology</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ramping up to 2 mn households p.a.</td>
<td>• ca. 1.2 mn households in 2021e</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Value transformation</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reduction of adj. indirect cost (AL)³ by €1 bn</td>
<td>• €1 bn (2021e)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Financials</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Revenue growth: CAGR &gt; 1%⁴</td>
<td>• 0.0% (+0.4% excl. Covid-19)</td>
<td></td>
</tr>
<tr>
<td>• Adj. EBITDA (AL) growth: CAGR +2–2.5%⁴</td>
<td>• +1.9%</td>
<td></td>
</tr>
<tr>
<td>• Cash contribution (AL)⁵ growth: CAGR +4–5%</td>
<td>• +4.8%</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. 1pp lower
³ Germany incl. GHS, 2017–2021e
⁴ CAGR not adjusted for IFRS 15 impact
⁵ Cash contribution (AL) = Adj. EBITDA (AL) – Cash Capex – Special factors (Cash)
⁶ 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></td>
<td>Leadership in gigabit networks with FTTH and 5G</td>
</tr>
<tr>
<td></td>
<td>Loyalty driven growth</td>
</tr>
<tr>
<td></td>
<td>Software-driven digitalization</td>
</tr>
<tr>
<td></td>
<td>Scale digitalization along the entire value chain</td>
</tr>
<tr>
<td></td>
<td>ESG as differentiator</td>
</tr>
<tr>
<td></td>
<td>Accelerating EBITDA and ROCE growth</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 speed

¹ With Supervectoring
We will build a future-proof Fiber network for Germany

**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”

**Our FTTH rollout in Germany**

- **Homes passed, mn**
  - 2020: 0.6 mn
  - 2021e: 1.2 mn
  - 2024e: > 2.5 mn
  - 2030e: ≈3.5 mn

- **Ext. funding**
- **Own buildout**

- Germany covered with FTTH by 2030
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

Choose best approach
- Collaborations with local partners
- Wholebuy
- Overbuild

Progressively build out
- Counteract cherrypicking
- Leverage subsidies (from 2023ff)

Participate in subsidized deployments
- Participation in 80% of subsidy tenders

DT Fiber footprint
- Yes
- No

Third party infrastructure (Coax, FTTH, FTTC)
- Yes
- No

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

<table>
<thead>
<tr>
<th>Share of ≥ 100 Mbps contracts</th>
<th>Retail broadband ARPA</th>
<th>Broadband net add share</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Broadband base</td>
<td>€/month</td>
<td>%</td>
</tr>
<tr>
<td>2018</td>
<td>9%</td>
<td>31%</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td>51%</td>
</tr>
<tr>
<td>2024e</td>
<td></td>
<td>≈40%</td>
</tr>
<tr>
<td>2018</td>
<td>32.0</td>
<td>31%</td>
</tr>
<tr>
<td>2020</td>
<td>33.5</td>
<td>51%</td>
</tr>
<tr>
<td>2024e</td>
<td></td>
<td>≈40%</td>
</tr>
</tbody>
</table>

**Wholesale tariffs**

- 50 Mbps: €15.7
- 100 Mbps: €17.7
- 250 Mbps: €19.7
- 500 Mbps
- 1 Gbps: €32.0

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

**Ambition 2024e**

- Broadband revenue: CAGR > 4%
- Wholesale access revenue: stable

---

1 B2C only, 2018 and 2020 Q4 figures
2 Calculatory fees for Layer2 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

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>1,000</td>
</tr>
<tr>
<td>2024e</td>
<td>-25%</td>
</tr>
</tbody>
</table>

**Improvement:** -25%
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
Average mobile speed
Mbps
- 70 (2020)
- ≈100 (2024e)

B2C share of L/XL customers
%  
- 1.5–2x

2020
2024e
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>L</td>
<td>≈25%</td>
</tr>
<tr>
<td>M</td>
<td>+26%</td>
</tr>
<tr>
<td>S</td>
<td>Baseline</td>
</tr>
</tbody>
</table>

**Uplift customer base to best speed**

- **Baseline**: 2020
- **2024e**: +40%

**Upsell Mobile customers**

- Share of customers in L/XL tariffs
- **2020**: 1.5–2x
- **2024e**: +1.5–2x

**Upsell Broadband customers**

- Share of customers with ≥ 100 Mbps
- **2020**: 2–2.5x
- **2024e**: +2–2.5x

**AMBITION 2024e**

- **Customer satisfaction**
  - Average increase in TRI*M
  - M ≈25%

- **Customer satisfaction**
  - L +40%

- **Upstream**
  - M +26%

- **Baseline**
  - L
Accelerating MagentaEINS will scale loyalty driven growth and improve market structure

Our strategy

Percentage of Broadband households with FMC bundles, %

- 26% DT
- 15% Main competitor
- 51% DT

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

AMBITION 2024e

Percentage of Broadband households with FMC bundles

- 26% DT

1. Status 2020
2. Compared to non-convergent households
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**

**Best network**
Our market leadership in business is based on strong pillars.

Trusted partner for connectivity and digitalization

**Strong track record**

- **Market leadership**: #1
- **Best services**: Leveraging TC integration, Microsoft, Apple
- **Strong partners**: Customer satisfaction (TRI*M) B2B: 77 pts

**IT/cloud growth**

- **Mobile M4M**: IT revenue growth: +13% 2017–2020
- **Hosted PBx**:  

**Strong headwinds**

- **Managing TC integration**
- **Leveraging IP migration**
- **Covid-19 impact in roaming**: Revenue impact due to Covid-19: €240 mn

---

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**

- 2017: TC  
- 2020: TDG B2B

**CAGR ≈0.7%**

---

**Revenue impact due to Covid-19**: €240 mn

---

**GROUP STRATEGY | GERMANY | EUROPE | T-MOBILE US | TECHNOLOGY & INNOVATION | SYSTEMS SOLUTIONS | GROUP DEVELOPMENT | FINANCE**
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

---

**AMBITION 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

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

**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

**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 automized rollout decisions enable efficiency

**AMBITION 2024e**

- **≥ 55%** First time right/fault repair
- **67%** Cloudified workload
- **-75%** Faster structural planning/hours
- **+17pp** Share of chat interactions
Full stack digitalization leads to significant benefits

<table>
<thead>
<tr>
<th>CUSTOMER TOUCHPOINTS</th>
<th>IT &amp; NETWORKS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>App penetration</strong></td>
<td></td>
</tr>
<tr>
<td>%</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>56</td>
</tr>
<tr>
<td>2024e</td>
<td>73</td>
</tr>
<tr>
<td><strong>E-sales share</strong></td>
<td></td>
</tr>
<tr>
<td>%</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>24</td>
</tr>
<tr>
<td>2024e</td>
<td>30</td>
</tr>
<tr>
<td><strong>Share of calls shifted to digital</strong></td>
<td></td>
</tr>
<tr>
<td>%</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>30</td>
</tr>
<tr>
<td>2024e</td>
<td>&gt; 40</td>
</tr>
</tbody>
</table>

| **IT time-to-market** |               |
| months                |               |
| 2020                  | 3.5           |
| 2024e                 | 2.0           |
| **First-time right in provisioning** | |
| %                     |               |
| 2020                  | 92            |
| 2024e                 | ≧ 95          |
| **Releases/month**    |               |
| #                     |               |
| 2020                  | ≈ 700         |
| 2024e                 | ≈ 1,200       |
| **Cloudified workloads** |         |
| %                     |               |
| 2020                  | 9             |
| 2024e                 | 67            |
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 savings¹
  - 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**

- 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>Year</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>Year</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
Europe
Dominique Leroy
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

\(^1\) 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
€ bn

<table>
<thead>
<tr>
<th>Revenues</th>
<th>EBITDA AL</th>
<th>Cash contribution¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.3</td>
<td>3.9</td>
<td>1.9</td>
</tr>
</tbody>
</table>

2017–2020 growth
CAGR, %

<table>
<thead>
<tr>
<th>Revenues²</th>
<th>EBITDA (AL)</th>
<th>Cash contribution (AL)¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4</td>
<td>2.3</td>
<td>3.9</td>
</tr>
</tbody>
</table>

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

7th largest EU telco, bigger than, e.g., Illiad, Telia or KPN

In 2020 Europe's fastest growing major telco
Operating in healthy markets with further growth opportunities

**Growing economies**
- GDP growth: +3.7%

**Healthy markets**
- Number of full MNOs per market:
  - 2 MNOs: 2x
  - 3 MNOs: 6x
  - 4 MNOs: 2x

**Imminent growth potential in digital**
- Countries’ DESI3 position in Europe: 9 countries < median
- Spectrum prices 5G auctions: €0.05–0.23 per MHz & PoP.2
- EU funds for digitalization: Up to €20 bn Σ 2021–2027

---

1 CAGR 2019–2025e; 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 development¹,²
% 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>
</tr>
</thead>
<tbody>
<tr>
<td>1.6%</td>
<td>0.8%</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></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adj. EBITDA AL growth fueled by...
% yoy

Net margin growth³

+ Adj. indirect cost AL savings

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

- **CAGR +1.2%**
- 2017: 0.4%
- 2018: 0.7%
- 2019: 1.8%
- 2020: 1.9%

Driven by...

**Value creation**

More-for-More tariff upgrades, rolled out across NatCos and customers migrating to FMC propositions along up- & cross-sell paths

**Volume increase**

Mobile contract subscribers increased by 2.5 mn (2017–2020)
Broadband subscribers increased by 0.8 mn (2017–2020)

---

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) €

- 3.7 bn in 2017
- 3.4 bn in 2020

〜320 mn (-9%)

Total workforce # FTEs

- 47k in 2017
- 41k in 2020

〜6,000 (-12%)

Share of Net revenue

- 32% in 2017
- 30% in 2020

32% Excl. Albania

30% Incl. UPC Austria
## Fiber rollout heavily accelerated

### Fiber rollout more than tripled at stable CAPEX

<table>
<thead>
<tr>
<th>Organic incremental HHs passed&lt;sup&gt;1&lt;/sup&gt;</th>
<th>5x Rollout run rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.2 mn (2017)</td>
<td>1.2 mn (2020)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiber HHs coverage&lt;sup&gt;1,2&lt;/sup&gt;</th>
<th>3x HH coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>7% (2017)</td>
<td>22% (2020)</td>
</tr>
</tbody>
</table>

Financed via internal prioritization

### With improved Fiber utilization

<table>
<thead>
<tr>
<th>Fiber HHs connected&lt;sup&gt;1&lt;/sup&gt;</th>
<th>4x HH connected</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.4 mn (2017)</td>
<td>1.7 mn (2020)</td>
</tr>
</tbody>
</table>

HHs connected<sup>1</sup> as % of passed

<table>
<thead>
<tr>
<th>HHs connected&lt;sup&gt;1&lt;/sup&gt; as % of passed</th>
</tr>
</thead>
<tbody>
<tr>
<td>22% (2017)</td>
</tr>
</tbody>
</table>

<sup>1</sup> FTTH/B & Docsis 3.1 (1 Gbps) in AT, CZ, GR, HR, HU, ME, MK, SK

<sup>2</sup> FTTH/B & Docsis 3.1 (1 Gbps) as % of HHs
## CMD 2018 commitments: Delivered

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B2C growth drivers</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| FMC revenue (€1.7 bn 2021)
  CAGR +25% | +42% (€1.7 bn) |            |
| > 50% App penetration, 30% pure online sales | 62% App penetration, 29% mobile online sales |            |
| Lead in TRI*M: #1/#2 in all markets | B2C: 9/10 NatCos are #1 or #2 in Q4 |            |
| **B2B growth drivers** |                   |            |
| FMCC revenue (€0.5 bn 2021)
  CAGR +10% | +27% (€0.69 bn) |            |
| 20% FMCC portal share | 31% B2B self-service penetration |            |
| B2B/ICT revenue: CAGR +7% | +7.4% |            |
| **Profitable midterm growth** |                   |            |
| Revenue growth: CAGR > 1% | +0.9% (+1.4% excl. Covid-19) |            |
| Adj. EBITDA (AL) growth: CAGR +1–2% | +2.3% |            |
| Adj. indirect cost (AL) reduction by €0.4 bn | €0.32 bn |            |
| Cash contribution (AL)
  CAGR +2–4% | +3.9% | €0.32 bn |

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, HU, 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

<table>
<thead>
<tr>
<th>No.</th>
<th>Area</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>B2C</td>
<td>Customized value propositions &amp; simple customer journeys</td>
</tr>
<tr>
<td>02</td>
<td>B2B</td>
<td>Address clients with segment specific solutions &amp; experience</td>
</tr>
<tr>
<td>03</td>
<td>People, society &amp; environment</td>
<td>Employee engagement, digital inclusion, care for our planet</td>
</tr>
<tr>
<td>04</td>
<td>Networks</td>
<td>Accelerated gigabit network rollout for best usage experience</td>
</tr>
<tr>
<td>05</td>
<td>Digitalization</td>
<td>Scaled digital solutions across the footprint, cloudified network</td>
</tr>
<tr>
<td>06</td>
<td>Capital allocation</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\(^1\)

- **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\(^2\)

- **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\(^1\))

---

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

AMBITON 2024e

#1 in TRI*M in every country to reduce churn

CONTINUOUS FEEDBACK & IMPROVEMENT ROUTINES

WORRY-FREE & OMNI-CHANNEL CUSTOMER JOURNEYS

People
Culture
Organization

Closed-loop customer centricity program
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

OPTIMISM
BRAND AMBASSADORS
HEARTS & MINDS
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
- Avg. #RGUs per HH – and revenue per HH to increase
- FMC revenue CAGR 2020–2024e
- FMC B2C revenue share in full-FMC countries

AMBITION 2024e

- FMC households\(^2\) mn
- CAGR +10%
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**: 21%
- **Large accounts/key accounts**: 36%
- **Small & medium businesses**: 43%

**Sector digitalization**
Digitalize, smart solutions – utilize recovery funds

**Specific industry solutions**
Connect (SD-x, UCC), store and protect

**Growth & digital transformation**
Magenta x-bundles, easy to deal with and easy to use solutions

---

\(^1\) B2B revenue in 2020

---

---
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

€ bn

IT\(^2\)

Mobile

Fixed\(^2\)

2020

2024e

3.3

3.6

CAGR +2%

CAGR +5%

CAGR +2%

CAGR +0%

\(^{1}\) 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

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

“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%\(^3\)

---

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

**AMBITON 2024e**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>≈10 mn HH Fiber HHs 1 Gbps coverage²</td>
</tr>
<tr>
<td>33%</td>
<td>&gt; 3 mn HH Fiber utilization 1 Gbps</td>
</tr>
</tbody>
</table>

**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

---

**AMBITION 2024e**

> 75% 5G population coverage\(^1\), further scaling to 98%

3G retirement

In all countries

ARPU/ARPA increase in B2C & B2B via More-for-More, FMS, M2M/IoT, Campus Networks, etc.

\(^1\) 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

<table>
<thead>
<tr>
<th>Applications</th>
<th>Platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>OneShop</td>
<td>Payments</td>
</tr>
<tr>
<td>OneApp</td>
<td>Loyalty</td>
</tr>
<tr>
<td>E-care</td>
<td>Order manager</td>
</tr>
<tr>
<td>Automation call center</td>
<td>Realtime analytics &amp; engagement</td>
</tr>
<tr>
<td>Retail stores</td>
<td>Product catalogue</td>
</tr>
<tr>
<td>FMC</td>
<td></td>
</tr>
<tr>
<td>FMCC</td>
<td></td>
</tr>
</tbody>
</table>

Harmonized API layer

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

- Ultimate digital in-home Broadband experience
- Non-sales customer care calls
- Truck rolls
- Transactions share on app
- 1st time right in provisioning

-5–10% p.a.
-15%
30%
≥ 95%

Digitalization Ambition

AMBITION 2024e

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

---

**AMBITION 2024e**

- **42%** of workloads in network cloudified
- **€300 mn** Indirect cost reduction
- **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

- **Austria**
  - UPC merger: EBITDA margin from 34% to > 40%\(^1\) via strong synergies & implementation
  - 32% HH Gigabit coverage

- **Poland**
  - Several wholebuy deals done, further in negotiation
  - 26% HH Gigabit coverage

- **Czech**
  - Own FTTH rollout, CETIN partnership & smaller M&A deals
  - 4% HH Gigabit coverage
  - CETIN co-rollout partnership signed: Add. 11% coverage planned for next 7 years

Streamlined portfolio

- **Romania**
  - Fixed sold, mobile lean challenger being realized

- **Albania**
  - Sold

---

\(^1\) From 2018 to 2021\(e\) incl. towers like-for-like
Stronger as a region – we are more than the sum of the parts

Leveraging synergies across DT group

- Strategic co-creation & best practice sharing
- Team of digital experts
- Core product capabilities inhouse
- 300+ developers in Global Development Center India
- Data analytics skills
- Common IT & data model across NatCos
- Harmonized service chains on cloud architecture

AMBITION 2024e

- Developed only once & moved across footprint
- Repeatable playbooks, e.g., for FMC and Home OS – to scale up fast & successfully
- Scaling common digital solutions across Europe
- Fast and efficient in execution & go-to-market
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

**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>Midterm ambition level</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Customer satisfaction: #1 in TRI*M in all markets &amp; brand preference ≥ market share</td>
<td>2024e</td>
</tr>
<tr>
<td></td>
<td>in all countries</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Employer ranking: TOP 5–10 in employer ranking in all countries</td>
<td>2024e</td>
</tr>
<tr>
<td></td>
<td>• 5G coverage: &gt; 75%</td>
<td>2024e</td>
</tr>
<tr>
<td></td>
<td>• Fiber coverage: 40%, Fiber connections: &gt; 3 mn</td>
<td>2024e</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financials</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Revenue growth: CAGR(^1) &gt; 1%</td>
<td>2020–2024e</td>
</tr>
<tr>
<td></td>
<td>• Adj. EBITDA AL growth: CAGR +1.5–2.5%</td>
<td>2020–2024e</td>
</tr>
<tr>
<td></td>
<td>• Adj. indirect cost AL: Reduction by €0.3 bn</td>
<td>2020–2024e</td>
</tr>
<tr>
<td></td>
<td>• Cash Capex stable</td>
<td>2020–2024e</td>
</tr>
<tr>
<td></td>
<td>• ROCE further increasing, ROCE &gt; WACC</td>
<td>2021–2024e</td>
</tr>
</tbody>
</table>

\(^1\) Adjusted for MTR
T-Mobile US
Mike Sievert
Cautionary Statement

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact, including information concerning T-Mobile US, Inc’s future results of operations, are forward-looking statements. These forward-looking statements are generally identified by the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “could” or similar expressions. Forward-looking statements are based on current expectations and assumptions, which are subject to risks and uncertainties and may cause actual results to differ materially from the forward-looking statements. Important factors that could affect future results and cause those results to differ materially from those expressed in the forward-looking statements include, among others, the following: natural disasters, public health crises, including the COVID-19 pandemic (the “Pandemic”), terrorist attacks or similar incidents; adverse economic, political or market conditions in the U.S. and international markets, including those caused by the Pandemic; competition, industry consolidation and changes in the market condition for wireless services; data loss or other security breaches; the scarcity and cost of additional wireless spectrum, and regulations relating to spectrum use; our inability to retain or motivate key personnel, hire qualified personnel or maintain our corporate culture; our inability to take advantage of technological developments on a timely basis; system failures and business disruptions, allowing for unauthorized use of or interference with our network and other systems; the impacts of the actions we have taken and conditions we have agreed to in connection with the regulatory proceedings and approvals of the Transactions (as defined below), including the acquisition by DISH Network Corporation (“DISH”) of the prepaid wireless business operated under the Boost Mobile and Sprint prepaid brands (excluding the Assurance brand Lifestyle customers and the prepaid wireless customers of Shenandoah Personal Communications Company LLC ("ShenTel") and Swiftel Communications, Inc.), including customer accounts, inventory, contracts, intellectual property and certain other specified assets (the “Prepaid Business”), and the assumption of certain related liabilities (the “Prepaid Transaction”), the complaint and proposed final judgment (the “Consent Decree”) agreed to by us, Deutsche Telekom AG ("DT"), Sprint Corporation ("Sprint"), SoftBank Group Corp. ("SoftBank") and DISH with the U.S. District Court for the District of Columbia, which was approved by the Court on April 1, 2020, the proposed agreements with the Secretary of the Federal Communications Commission ("FCC"), which we announced on May 20, 2019, certain national security commitments and undertakings, and any other commitments or undertakings entered into including but not limited to those we have made to certain states and nongovernmental organizations (collectively, the “Government Commitments”), and the challenges in satisfying the Government Commitments in the required time frames and the significant cumulative cost incurred in tracking, monitoring and complying with them; our inability to manage the ongoing commercial and transition services arrangements that we entered into with DISH in connection with the Prepaid Transaction, which we completed on July 1, 2020 (collectively, the “Diversitization”), and known or unknown liabilities arising in connection therewith; the effects of any future acquisition, investment, or merger involving us; any disruption or failure of our third parties (including key suppliers) to provide products or services for the operation of our business; the occurrence of high fraud rates or volumes related to device financing, customer payment cards, third-party dealers, employees, subscriptions, identities or account takeover fraud; our substantial level of indebtedness and our inability to service our debt obligations in accordance with their terms or to comply with the restrictive covenants contained therein; adverse changes in the ratings of our debt securities or adverse conditions in the credit markets; the risk of future material weaknesses we may identify while we work to integrate and align policies, principles and practices of the two companies following the Merger (as defined below), or any other failure by us to maintain effective internal controls, and the resulting significant costs and reputational damage; any changes in regulations or in the regulatory framework under which we operate; laws and regulations relating to the handling of privacy and data protection; unfavorable outcomes of existing or future legal proceedings; our offering of regulated financial services products and exposure to a wide variety of state and federal regulations; new or amended tax laws or regulations or administrative interpretations and judicial decisions affecting the scope or application of tax laws or regulations; the possibility that we may be unable to renew our spectrum leases on attractive terms or the possible revocation of our existing licenses in the event that we violate applicable laws; interests of our significant stockholders that may differ from the interests of other stockholders; future sales of our common stock by DT and SoftBank and our inability to attract additional equity financing outside the United States due to foreign ownership limitations by the FCC; the volatility of our stock price and our lack of plan to pay cash dividends in the foreseeable future; failure to realize the expected benefits and synergies of the merger (the “Merger”) with Sprint, pursuant to the Business Combination Agreement with Sprint and the other parties named therein (as amended, the “Business Combination Agreement”) and the other transactions contemplated by the Business Combination Agreement (collectively, the “Transactions”) in the expected timeframes or in the amounts anticipated; any delay and costs of, or difficulties in, integrating our business and Sprint’s business and operations, and unexpected additional operating costs, customer loss and business disruption, including maintaining relationships with employees, customers, suppliers or vendors; unexpected difficulties, disruption, or significant delays in our long-term strategy to migrate Sprint’s legacy customers onto T-Mobile’s existing billing platforms and changes to existing or the issuance of new accounting standards by the Financial Accounting Standards Board or other regulatory agencies. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law.

This presentation also includes non-GAAP financial measures such as Adjusted EBITDA, Core Adjusted EBITDA, and free cash flow. The non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information provided in accordance with GAAP. Reconciliations for the non-GAAP financial measures to the most directly comparable GAAP financial measures are provided at the end of this presentation. T-Mobile is not able to forecast Net income on a forward-looking basis without unreasonable efforts due to the high variability and difficulty in predicting certain items that affect GAAP net income including, but not limited to, Income tax expense, stock-based compensation expense and Interest expense. Adjusted EBITDA and Core Adjusted EBITDA should not be used to predict Net income as the differences between the two measures and Net income are variable.
MISSION
BEST IN THE WORLD
AT CONNECTING CUSTOMERS TO THEIR WORLD
BEST NETWORK
BEST VALUE
#1

IN CUSTOMER CHOICE
IN CUSTOMERS’ HEARTS
Product Leadership

Build the World’s Best 5G Network

Value Leadership

Unlock the Value Potential of Synergies and Scale

Experience Leadership

Deliver the Best Experience from the Best Team
OUR AMBITIONS ARE SIMPLE AND CLEAR

Industry-Leading Growth
Expand addressable markets and grow customer relationships

Deliver Substantial Enterprise Value
Faster and bigger synergies while transforming the business

Position for Long-Term Success
Sustain 5G leadership, strong brand, and best customer experiences
BUILDING THE BEST 5G NETWORK
SIGNIFICANTLY EXPANDING T-MOBILE'S ADDRESSABLE MARKET

Smaller Markets & Rural

50M US Households

Current Share Low-Tens

Expect to Increase to nearly 20% in 5 years
HUNDREDS OF NEW STORES
SIGNIFICANTLY EXPANDING T-MOBILE'S ADDRESSABLE MARKET

T-Mobile for Business

50M
And Growing
Corporate Liable Lines

Current Share <10%

Expect to Increase to nearly 20% in 5 years
T-Mobile for Business

Enterprise Unlimited Plans • Home Office Internet • Collaborate
SIGNIFICANTLY EXPANDING T-MOBILE'S ADDRESSABLE MARKET

Home Broadband

$90B And Growing

Annual Industry Revenues

Expect 7-8M Customers in 5 years
INTRODUCING
Magenta MAX
OUR BEST PLAN EVER
UNLIMITED PREMIUM DATA + 40GB MOBILE HOTSPOT + UNLIMITED 4K STREAMING + NETFLIX ON US NOW FOR SINGLE LINES AND FAMILY PLANS
DEEPENING CUSTOMER RELATIONSHIPS
NETWORK QUALITY EXPANDS CUSTOMER REACH AND RELATIONSHIPS

BEST Experiences

Best network, Best value and Best care will deliver even higher customer lifetime value
OUR AMBITIONS ARE SIMPLE AND CLEAR

Industry-Leading Growth
Expand addressable markets and grow customer relationships

Deliver Substantial Enterprise Value
Faster and bigger synergies while transforming the business

Position for Long-Term Success
Sustain 5G leadership, strong brand, and best customer experiences
MAKING AN IMPACT
THE UN-CARRIER WAY
MAKING AN IMPACT THE UN-CARRIER WAY

PROJECT 10MILLION
WORKING TO CONNECT EVERY STUDENT

$10.7B Initiative with an ambitious goal:
To eradicate the national homework gap
T-Mobile is uniquely positioned for durable 5G leadership

- Massive momentum on deployment delivering 5G advantage
- Network build fueled via synergies from network integration
- Meaningful spectrum advantage in quality and depth of mid-band post C-Band auction
- Network advantage fully funded with business plan
- Leading on 5G innovation with the most advanced network
T-MOBILE IS UNIQUELY POSITIONED FOR DURABLE 5G LEADERSHIP

Massive momentum on deployment delivering 5G advantage
295M
PEOPLE COVERED
T-Mobile’s 5G Coverage
T-Mobile’s 5G COVERAGE

4X Verizon’s 5G COVERAGE

2X AT&T’s 5G COVERAGE

Capable device required. Some uses may require certain plan or feature; see T-Mobile.com.
MASSIVE MOMENTUM ON NETWORK DEPLOYMENT

EXTENDED RANGE 5G

Over 300M people covered by the end of 2021

97% of Americans covered by the end of 2022

Bringing 5G to every corner of this country

Unprecedented Pace and Efficiency Creates Material Competitive Advantage
140M
COVERED BY ULTRA-CAPACITY 5G
TODAY
MASSIVE MOMENTUM ON NETWORK DEPLOYMENT

EXTENDED RANGE 5G
Over 300M people covered by the end of 2021
97% of Americans covered by the end of 2022
Bringing 5G to every corner of this country

ULTRA CAPACITY 5G
200M people covered by the end of 2021
Over 250M covered by the end of 2022
90% of Americans covered by the end of 2023

Unprecedented Pace and Efficiency Creates Material Competitive Advantage
5G DOWNLOAD SPEED

T-Mobile
23% Faster than Verizon
Download Speed Increase
Since January 2021 Report

50%
Faster than AT&T

30%

T-MOBILE IS UNIQUELY POSITIONED FOR DURABLE 5G LEADERSHIP

Network build fueled via synergies from network integration
T-MOBILE IS UNIQUELY POSITIONED FOR DURABLE 5G LEADERSHIP

Meaningful spectrum advantage in quality and depth of mid-band post C-Band auction
POSITIONED TO MAINTAIN 5G LEADERSHIP FOR THE 5G ERA

Current Mid-Band Holdings after Clearance, 2024+

<table>
<thead>
<tr>
<th>Carrier</th>
<th>2.5 GHz and Below</th>
<th>5G C-Band/CBRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>T-Mobile</td>
<td>265</td>
<td>27</td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>244</td>
<td>171</td>
</tr>
<tr>
<td>Verizon</td>
<td>174</td>
<td>79</td>
</tr>
</tbody>
</table>
New Street Research Publication, April 2021
Updated based on AT&T announcement, 5/17/2021

Based on TMUS estimates of available spectrum
T-MOBILE IS UNIQUELY POSITIONED FOR DURABLE 5G LEADERSHIP

Network advantage
fully funded with
business plan
T-MOBILE IS UNIQUELY POSITIONED FOR DURABLE 5G LEADERSHIP

Leading on 5G innovation with the most advanced network
T-MOBILE IS UNIQUELY POSITIONED FOR DURABLE 5G LEADERSHIP

- Massive momentum on deployment delivering 5G advantage
- Network build fueled via synergies from network integration
- Meaningful spectrum advantage in quality and depth of mid-band post C-Band auction
- Network advantage fully funded with business plan
- Leading on 5G innovation with the most advanced network
DELIVERING SYNERGIES BIGGER AND FASTER

2020
4X HIGHER

Original Merger Plan

$300M

Actuals

~$600M

~$250M

~$450M

2021
$1.1B HIGHER Y/Y
(CoS + SG&A)

Original Merger Plan

$2.5B

Current Outlook

$2.8–3.1B

$1.35 - $1.5B

$450 - $600M

~$1.0B

Avoided  CoS  SG&A
DELIVERING SYNERGIES BIGGER AND FASTER

2021
$1.1B HIGHER Y/Y
(CoS + SG&A)

$2.8-3.1B

2020
4X HIGHER

$1.3B

$550M
Y-o-Y

Current
Outlook

$1.35 - $1.5B

$450 - $600M

~$1.0B

Actuals

~$600M

~$250M

~$450M

Avoided

CoS

SG&A
DELIVERING SYNERGIES BIGGER AND FASTER

2021
$1.1B HIGHER Y/Y
(CoS + SG&A)

$2.8-3.1B

2020
4X HIGHER

$1.3B

$1.1B
Y/Y

$1.35 - $1.5B

$450 - $600M

~$1.0B

~$600M

~$250M

~$450M

Actuals

Current Outlook

Avoided  CoS  SG&A
DELIVERING 25% MORE RUN RATE SYNERGIES

Run Rate
HIGHER by 25%

~$6.0B
~$2.0B
~$2.5B
~$1.5B

Original Merger Plan

~$7.5B
~$2.5B
~$3.0B
~$2.0B

Current Outlook

Avoided  CoS  SG&A
BIGGER AND FASTER SYNERGY REALIZATION UNLOCKS INCREMENTAL SHAREHOLDER VALUE

NPV of Synergies

**HIGHER by >60%**

at current WACC

Original Merger Case

Current Outlook

Original Merger Case WACC
NPV @ 8%

Current WACC
NPV @ 7%
NOW EXPECTED TO DELIVER FINANCIAL RESULTS THAT EXCEED BOTH THE ORIGINAL 3-4-YEAR AND LONGER-TERM TARGETS

<table>
<thead>
<tr>
<th>Core Adjusted EBITDA¹</th>
<th>Capital Expenditures</th>
<th>Free Cash Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>$22.8B-$23.2B</td>
<td>$11.7B-$12.0B</td>
<td>$16B-$18B</td>
</tr>
<tr>
<td>$28B-$29B</td>
<td>$9B-$10B</td>
<td>$13B-$14B</td>
</tr>
<tr>
<td>$31B-$32B</td>
<td>$9B-$10B</td>
<td>$5.5B-$5.1B</td>
</tr>
<tr>
<td>$36B+</td>
<td>$9B-$10B</td>
<td>$18B+</td>
</tr>
</tbody>
</table>

¹ T-Mobile is not able to forecast Net income on a forward-looking basis without unreasonable efforts due to the high variability and difficulty in predicting certain items that affect GAAP net income including, but not limited to, income tax expense, stock-based compensation expense and interest expense. Core Adjusted EBITDA should not be used to predict Net income as the difference between it and Net income is variable.
BALANCE SHEET STRENGTH AND INCREASED FREE CASH FLOW CREATING SHAREHOLDER RETURN OPPORTUNITY

Capital Allocation

- **Invest**
  - to complete integration and 5G network build while funding growth

- **De-lever**
  - to mid-2x Core Adjusted EBITDA leverage ratio

Potential for massive shareholder returns of up to $60B cumulative 2023 through 2025

shareholder return potential continues beyond 2025
THE UN-CARRIER
T-MOBILE US, INC.  
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO GAAP FINANCIAL MEASURES  
(UNAUDITED) 

This presentation includes non-GAAP financial measures. The non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information provided in accordance with GAAP. Reconciliations for the non-GAAP financial measures to the most directly comparable GAAP financial measures are provided below. T-Mobile is not able to forecast Net Income on a forward-looking basis without unreasonable efforts due to the high variability and difficulty in predicting certain items that affect GAAP net income including, but not limited to, Income tax expense, stock-based compensation expense and Interest expense. Adjusted EBITDA and Core Adjusted EBITDA should not be used to predict Net income as the difference between those measures and Net income is variable. 

The following table includes the impact of the Sprint Merger on a prospective basis from the close date of April 1, 2020. Historical results have not been restated and reflect standalone T-Mobile. 

Adjusted EBITDA and Core Adjusted EBITDA are reconciled to Net income as follows: 

<table>
<thead>
<tr>
<th>(in million)</th>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>$951</td>
<td>$110</td>
<td>$1,253</td>
<td>$750</td>
<td>$935</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from discontinued operations, net of tax</td>
<td>-</td>
<td>(320)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>981</td>
<td>(210)</td>
<td>1,253</td>
<td>750</td>
<td>935</td>
</tr>
<tr>
<td>Interest expense</td>
<td>185</td>
<td>776</td>
<td>765</td>
<td>757</td>
<td>792</td>
</tr>
<tr>
<td>Interest expense to affiliates</td>
<td>99</td>
<td>63</td>
<td>44</td>
<td>41</td>
<td>46</td>
</tr>
<tr>
<td>Interest income</td>
<td>(12)</td>
<td>(6)</td>
<td>(3)</td>
<td>(6)</td>
<td>(3)</td>
</tr>
<tr>
<td>Other (income) expense, net</td>
<td>10</td>
<td>195</td>
<td>99</td>
<td>101</td>
<td>126</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>306</td>
<td>2</td>
<td>407</td>
<td>71</td>
<td>246</td>
</tr>
<tr>
<td>Operating income</td>
<td>1,539</td>
<td>820</td>
<td>2,565</td>
<td>1,712</td>
<td>2,139</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,718</td>
<td>4,064</td>
<td>4,150</td>
<td>4,219</td>
<td>4,289</td>
</tr>
<tr>
<td>Operating income from discontinued operations (1)</td>
<td>-</td>
<td>432</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Stock-based compensation (2)</td>
<td>123</td>
<td>139</td>
<td>125</td>
<td>129</td>
<td>130</td>
</tr>
<tr>
<td>Merger-related costs</td>
<td>143</td>
<td>708</td>
<td>288</td>
<td>686</td>
<td>298</td>
</tr>
<tr>
<td>COVID-19-related costs (3)</td>
<td>117</td>
<td>341</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impairment expense</td>
<td>-</td>
<td>418</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other, net (4)</td>
<td>25</td>
<td>5</td>
<td>1</td>
<td>-</td>
<td>49</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>3,665</td>
<td>7,017</td>
<td>7,129</td>
<td>6,746</td>
<td>6,905</td>
</tr>
<tr>
<td>Lease revenues</td>
<td>(168)</td>
<td>(1,421)</td>
<td>(1,350)</td>
<td>(1,249)</td>
<td>(1,041)</td>
</tr>
<tr>
<td>Core Adjusted EBITDA</td>
<td>$3,500</td>
<td>$5,596</td>
<td>$5,779</td>
<td>$5,501</td>
<td>$5,854</td>
</tr>
</tbody>
</table>

1. Following the Prepaid transaction (as defined below), starting on July 1, 2020, we provide MVNO services to DISH. We have included the operating income from discontinued operations in our determination of the Adjusted EBITDA to reflect contributions of the Prepaid Business that has been replaced by the MVNO Agreement beginning on July 1, 2020. In order to enable management, analysts and investors to better assess ongoing operating performance and trends. 
2. Stock-based compensation includes payroll tax impacts and may not agree to stock-based compensation expense in the Condensed Consolidated Financial Statements. Additionally, certain stock-based compensation expenses associated with the Transactions have been included in Merger-related costs. 
3. Supplemental employee payroll. Non-payroll commissions and hiring-related COVID-19 costs were not significant for Q2 and Q4 2020 and Q1 2021. 
4. Other, net may not agree to the Condensed Consolidated Statements of Comprehensive income primarily due to certain non-routine operating activities, such as other special items that would not be expected to recur or are not reflective of T-Mobile’s ongoing operating performance, and are therefore excluded in Adjusted EBITDA and Core Adjusted EBITDA.
Free Cash Flow and Free Cash Flow, excluding gross payments for the settlement of interest rate swaps, are calculated as follows:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 2020</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$1,617</td>
</tr>
<tr>
<td>Cash purchases of property and equipment</td>
<td>(1,753)</td>
</tr>
<tr>
<td>Proceeds related to beneficial interests in securitization transactions</td>
<td>868</td>
</tr>
<tr>
<td>Cash payments for debt prepayment or debt extinguishment costs</td>
<td>-</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>732</td>
</tr>
<tr>
<td>Gross cash paid for the settlement of interest rate swaps</td>
<td>-</td>
</tr>
<tr>
<td>Free Cash Flow, excluding gross payments for the settlement of interest rate swaps</td>
<td>$732</td>
</tr>
</tbody>
</table>

Our current guidance range for Free Cash Flow is calculated as follows:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>FY 2021 Current Guidance Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$13,200</td>
</tr>
<tr>
<td>Cash purchases of property and equipment</td>
<td>(11,700)</td>
</tr>
<tr>
<td>Proceeds related to beneficial interests in securitization transactions</td>
<td>3,700</td>
</tr>
<tr>
<td>Cash payments for debt prepayment or debt extinguishment costs</td>
<td>(100)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$5,100</td>
</tr>
</tbody>
</table>

1. Free Cash Flow guidance does not assume any material net cash inflows from securitization in 2021.
# T-Mobile US, Inc.
## Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures (Unaudited)

Our Free Cash Flow for the year ended December 31, 2020 and current guidance ranges for Free Cash Flow are reconciled to Net cash provided by operating activities as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$9,640</td>
<td>$13,200</td>
<td>$13,600</td>
<td>$18,350</td>
<td>$20,100</td>
<td>$21,350</td>
</tr>
<tr>
<td>Cash purchases of property and equipment</td>
<td>(11,034)</td>
<td>(11,790)</td>
<td>(12,000)</td>
<td>(9,000)</td>
<td>(10,000)</td>
<td>(9,000)</td>
</tr>
<tr>
<td>Cash payments for debt prepayment or debt extinguishment costs</td>
<td>(62)</td>
<td>(100)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>658</td>
<td>5,100</td>
<td>5,500</td>
<td>13,000</td>
<td>14,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Gross cash paid for the settlement of interest rate swaps</td>
<td>2,343</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Free Cash Flow, excluding gross payments for the settlement of interest rate swaps</td>
<td>$3,001</td>
<td>$5,100</td>
<td>$5,100</td>
<td>$13,000</td>
<td>$14,000</td>
<td>$16,000</td>
</tr>
</tbody>
</table>

1. 6-year period starting with the year when the merger closed, which was 2020. Thus, this guidance includes actual Free Cash Flow for the year ended December 31, 2020 and five additional years of guidance.
2. The midpoint of the guidance range is used for purposes of this reconciliation.
3. Free Cash Flow guidance does not assume any material net cash inflows from securitization.

Our previous guidance ranges for Free Cash Flow as of April 2018 were as follows:

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>Mid-Term 3 to 4 Years</th>
<th>Cumulative 6 Years [3]</th>
<th>Long-Term 7 to 8 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Cash Flow</td>
<td>$10,000</td>
<td>$11,000</td>
<td>$55,000</td>
</tr>
</tbody>
</table>

1. 6-year period starting with the year when the merger was expected to close, which was 2019.

This guidance was prepared based on internal forecasts and models prior to the Company’s adoption of ASU 2016-15, “Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments” which impacted the presentation of (1) cash flows related to beneficial interests in securitization transactions resulting in a reclassification of cash inflows from Operating activities to Investing activities and (2) cash payments for debt prepayment or debt extinguishment costs resulting in a reclassification of cash outflows from Operating activities to Financing activities. As a result, at the time the guidance was publicly released in April 2018, T-Mobile was not able to forecast GAAP Net cash provided by operating activities on a forward-looking basis without unreasonable efforts due to the Company’s adoption of ASU 2016-15 on January 1, 2016.
Technology & Innovation
Claudia Nemat
Key messages

Review
We delivered our CMD 2018 promises including the DT ‘Superior Production Model’ (All IP Migration, Agile IT Transformation, Integrated Network Leadership). Going forward, we evolve to an experience-obsessed tech player:

01 Automation, cloudification & disaggregation
We will move towards a high degree of automation. Hyperscaler-like, yet telco-grade

02 Digitalization & SW/data capabilities
We will continue digitalizing the full stack and continue to enhance the software/data capabilities of our employees

03 Continued network leadership
Our integrated network leadership will continue to deliver clear business benefits

04 Green – Energy efficiency
To support DT’s ambitious climate targets, we will double energy efficiency in network production

05 Experience obsession
Experience-obsessed, focused innovation and new products will leverage our superior networks
Review
2017–2021
IP Migration with customer experience and cost benefits

Superior Production Model 1/3 – All IP Migration 100% at DT, with radically simplified BNG architecture in GER

- Broadband availability
  - 10 mn HH
  - ≥ 250 Mbps
  - enabled by SuperVectoring & FTTH

- Simplicity for customer
  - Plug & Play
  - for all customers

- Relief of service organization
  - Activation incidents reduced by 40%

- Cost savings
  - €100 mn
  - annual cost saving
  - already realized in 2020

Stable & secure networks during Covid-19

+100% fixed voice calls
+300% video conferencing
IT Transformation with huge impact on speed, stability and cost

Superior Production Model 2/3 – Agile IT Transformation

2017

⚠️ Time-to-market: **18 months**

⚠️ Share of flexible delivery: **0%**

⚠️ Share of agile working: **< 5%**

⚠️ Improvable IT stability

⚠️ IT spend above benchmark-level

⚠️ Tightly coupled **legacy** IT

YE 2020: Industry leading IT

- Time-to-market: **3.5 months**
- Share of flexible delivery: **70.5%**
- Share of agile working: **80%**
- Operational stability almost doubled\(^1\)
- Reduced IT spend\(^2\): **-€0.2 bn**
- **IT modernization**, decoupling and selective greenfields

\(^1\) Index for business impact from 252 (2017) to 132 (2020)  \(^2\) YE 2017 vs. plan for YE 2021e
Integrated Network Leadership with clear competitive advantage

Superior Production Model 3/3 – Integrated Network Leadership

Integrated network leadership

Best in mobile
Connect Test (01/2021)

Best in 5G
Chip Test (01/2021)

Network quality perception
+23pp
vs. best competitor¹

T-Mobile
Netherlands

World’s best mobile network
Umlaut (10/2020)

#1 in 8/10 markets
based on network TRÍ*M²

Mobile network leadership

Winner 5G & LTE
(01/2021)

TMUS delivering
5G leadership (02/2021)

Perception as "the 5G company"
+120%
since Q3/2019

Our clear competitive advantage

Brand worth
>
$50 bn

#1 in DAX30
reputational ranking³

¹ Source of data: Kantar Image and Advertisement Monitor for German footprint (2020), % of participants that attribute statements to a brand
² AT, CZ, GR, HR, HU, ME, MK, NL, PL, SK (2020)
³ Dr. Doeblin Society for Economic Research 2021
### CMD 2018 commitments: We delivered!

<table>
<thead>
<tr>
<th>Ambition level</th>
<th>Achievements 2020</th>
<th>2017–2021e</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technology leadership</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Gigabit rollout</td>
<td>• approx. 1.2 mn HH in 2021e (0.5 mn in Q4)</td>
<td></td>
</tr>
<tr>
<td>• Ramping up to 2 mn HH p.a. in GER by 2021e</td>
<td>• 1.4 mn HH in 2021e</td>
<td></td>
</tr>
<tr>
<td>• 0.75 mn HH p.a. in EU^1 by 2021e</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Mobile network leadership &amp; leading in CX</td>
<td>• 99% in 2020</td>
<td></td>
</tr>
<tr>
<td>• 99% outdoor LTE coverage in GER by 2020</td>
<td>• 98% in 2021e</td>
<td></td>
</tr>
<tr>
<td>• 99% outdoor LTE coverage in EU by 2021e</td>
<td>• First European 5G network in Austria (2019), DSS pioneer (2020), Connect 5G Innovation Award (2021)</td>
<td></td>
</tr>
<tr>
<td>• 5G innovation leadership</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Value transformation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• IT spend reduction of €0.2 bn in 2021e</td>
<td>• €0.2 bn reduction achieved by 2021e</td>
<td></td>
</tr>
<tr>
<td>• IT delivery time down to 6 months in 2021e</td>
<td>• Down to 3.5 months already in 2020</td>
<td></td>
</tr>
<tr>
<td>• IP migration completed in 2020</td>
<td>• Completed across the entire footprint in 2020</td>
<td></td>
</tr>
</tbody>
</table>

^1 FTTH/B & Docsis 3.1; AT, CZ, GR, HR, HU, ME, MK, PL, SK (excl. RO & PL)
Strategy
2021–2024
We evolve towards an experience-obsessed tech player

**FROM** a reliable network builder & operator

**Superior Production Model**
- All IP Migration
- Agile IT Transformation
- Integrated Network Leadership

**Capabilities built so far**
- Global skill-based organization implemented
- DevOps in place in NT & IT
- First successes in radical automation, disaggregation & software integration

**TO** an experience-obsessed tech player

**Tech player**
- **01** Network automation, cloudification & disaggregation
- **02** All value-chain digitalization & SW/data capabilities
- **03** Continued integrated network leadership

**04 Green**
Path to carbon neutrality\(^1\) – Energy efficient

**05 Experience-obsessed**
- Best connectivity experience
- Seamless interplay at home
- Beyond the core

\( ^1 \) CO\(_2\) neutral scope 1&2 in 2025, scope 3 in 2040, addressed in RFPs with high priority
Network automation proven and ready to scale

**PROVEN**

- Hyperscaler like & telco grade voice operations
- 18 months from idea to product
- 90 days from SW to rollout
- 14 days bug fix
- Many nightshifts required

**SCALING**

- We are live with 1mn customers
- Voice production platform:
  - Fully automated
  - Open
  - Multi-vendor
  - Cloudified
- In GER (2021)

- All voice customers on one automation platform by 2024e
- At least 50% of data customers on one platform by 2024e
Automated network planning proven and ready to scale

**PROVEN**

- **AI driven FTTH rollout planning**
  - 25 days average planning time
  - Manual processes
  - Complex hand-overs with municipalities

- **Deployed for 75% of new areas**
  - Reduction of working hours by up to 75% in structural planning
  - Fully automated, AI based planning processes
  - Digitized municipal applications

**SCALING**

- **Contributes to -25% unit cost vs. 2020 by 2024e**

- **Enables ramping**
  - >2.5 mn HH p.a. to achieve 10 mn FTTH HH passed until 2024e

---

1 Planning effort is one out of many factors reducing unit costs
Network disaggregation will increase choice and efficiency

PROVEN

Mobile access – “ORAN”
Cornerstones laid down by
- OTIC test and integration lab (Europe’s 1st)
- Open fronthaul requirements binding in RfPs
Implementation with ORAN town in real network

Fixed access – “Access 4.0”
- Evolving BNG
- Edge-cloud based fixed broadband access live and in production (World’s 1st)

Capabilities built so far

350 experts for
NW integration, NW operations & NW management

20 agile squads

New way of working

SCALING

Diverse ecosystem with increasing competition leading to more choice and efficiency

E.g. 10–20% efficiency in RAN as planned by 2024

Example GER
Digitalization capabilities proven and ready to scale

**PROVEN**

**Easy Fiber ordering (Gigabit Geschäftssystem)**
Cloud-based, fully digital platform to order, provision and configure Fiber products instantly and in any channel

**Award-winning bot (Frag Magenta)**
Digital assistant for personalized 24/7 service automation

**SCALING**

**Complete Fiber rollout**
channeled and processed via the platform by 2022

**AI in all customer service interactions**
by 2025
We accelerate digitalization with future-proof IT

YE 2020:
Industry leading IT

- Time-to-market: 3.5 months
- Share of flexible delivery: 70.5%
- Share of agile working: 80%
- Operational stability almost doubled
- IT modernization, decoupling and selective greenfields
- IT spend reduced\(^2\) by €0.2 bn
- Share of cloudified production: 8% in IT

2024e:
World class IT

- Time-to-market: 2 months
- Share of flexible delivery: 80%
- Share of agile working: 100%
- Further improved IT stability\(^1\)
- Massive increase of microservices & APIs
- IT spend further reduced\(^3\) by > €0.2 bn
- Share of cloudified production: 80% in IT \(\approx\) 55% in NT\(^4\)

---

\(^1\) Index for Business impact should be < 100 by 2024e  
\(^2\) YE 2017 vs. YE 2021 \(\approx\)  
\(^3\) YE 2020 vs. YE 2024e  
\(^4\) In core network; GER: 67%; EU: 42% in 2024e
We are driving skill and cultural transformation

Modern chapter tribe setup in board area Technology & Innovation

Chapters

<table>
<thead>
<tr>
<th>Tribes</th>
<th>SW chapter</th>
<th>AI/data chapter</th>
<th>Architects chapter</th>
<th>Engineers chapter</th>
<th>CX Design chapter</th>
<th>DevOps chapter</th>
<th>Tribe 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tribe 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tribe 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tribe 4</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>...</td>
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<td></td>
</tr>
</tbody>
</table>

Scale proven skill transformation in tech & innovation area

Quota of relevant skills, %

- 12k FTE
- 2020
- 2024e
- 26%
- 9%
- 23%
- 44%
- Ratio of engineering & agile profiles doubled

- SW/System engineer
- DevOps engineer
- Data scientist
- Architect
- Agile expert

Non-technical skill sets (e.g. scrum master, product mgr.)
Other technical NT/IT experts
Key profiles in engineering & agility
We will remain the network experience leader

5G Leadership in GER, EU² & US
- Based on superior (PoP) coverage

<table>
<thead>
<tr>
<th>Year</th>
<th>Coverage</th>
<th>HH Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>80% PoP coverage</td>
<td>2.3 mn</td>
</tr>
<tr>
<td>2024e</td>
<td>97% PoP coverage</td>
<td>10 mn</td>
</tr>
</tbody>
</table>

Commitment to Fiber in GER² & EU³
- Streamlined approach

<table>
<thead>
<tr>
<th>Year</th>
<th>Coverage</th>
<th>HH Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18% PoP coverage</td>
<td>6.1 mn</td>
</tr>
</tbody>
</table>

Toolbox of best combinations (own & orchestrated)
- Leverage 5G for superior seamless performance in- and outdoors
- Orchestrate best customer experience across own- and third-party networks where required

- 500k customers on 4G hybrid solution + customer trial for 4G/5G indoor repeater
- 200k customers on 4G hybrid solution

Hybrid routers & indoor repeater

---

1. AT, CZ, GR, HR, HU, ME, MK, NL, PL, SK (excl. RO)
2. Incl. cooperation
3. AT, CZ, GR, HR, HU, ME, MK, NL, SK (excl. RO & PL); FTTH/B & Docsis 3.1
4. Tech-JV with SKT from South Korea
5. E.g. broadband satellite for IoT and rural coverage & mmWave FWA for selected broadband use cases
We are convinced by the comprehensive benefits of 5G

**Higher Capex efficiency**
-40% Capex per Mbps for top speeds by 2024e

**3G Shutdown**
in combination with 5G increasing energy efficiency

**Fixed wireless access**
mainly in US and partially in EU

**5G Leadership in GER, EU & US**

**Up & cross selling in B2C**
e.g. grow number of German customers on L/XL tariffs by factor 1.5–2.0x by 2024e

**B2B differentiation**
Industrial connectivity, edge cloud, IoT & new 5G SA core with QoS and slicing
Cumulating in campus networks: > €100 mn revenue until 2024e
We will double energy efficiency to offset volume explosion

Long-term stable energy consumption...

<table>
<thead>
<tr>
<th>Region</th>
<th>Energy consumption per region, mn MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>2.7</td>
</tr>
<tr>
<td>Europe</td>
<td>1.9</td>
</tr>
</tbody>
</table>

2020 | 2024e | STABLE

... with efficiency levers offsetting volume increases

- We will retire legacy platforms\(^1\) to counterbalance other trends such as rise in data traffic, network densification & rollout of more active network components
- In addition, efficiency from...
  - Network measures, including site sharing & AI steering
  - Copper to Fiber migration
  - Energy efficient data centers, on- and nearshore
  - In addition, innovation in packaging, materials, and decentral energy production

\(^1\) Like PSTN or SDH

Double overall energy efficiency by 2024e
Delightful home experiences built on best networks

Products & Innovation

3 Experiences

- BEST CONNECTIVITY EXPERIENCE
- SEAMLESS INTERPLAY
- BEYOND THE CORE

3 Enablers

- VOICIFICATION
- BIG DATA & AI
- SERVICE ORCHESTRATION

Commitment to Fiber
Superior Mobile networks
Toolbox of best combinations

Unprecedented “Magenta Moments”

- Magenta TV
- Magenta Smart Home
- Telekom Router
- Magenta Gaming
- Hallo Magenta

Integrated Home Operating System
We scale experience innovation across our footprint

**BEST CONNECTIVITY EXPERIENCE**

Stable & fast connection everywhere at home – like at the curb

**SEAMLESS INTERPLAY**

Simple & seamless onboarding, upgrading and operating of new devices – OTT like

**BEYOND THE CORE**

Home experiences with friends and family – all voice enabled

**PROVEN**

> 1 mn routers with automated self-installation based on a new RouterOS logic with decoupled HW & SW, and massive leverage of data for CX optimization, and predictive maintenance

New HomeOS (API-first orchestration layer) launched e.g. with 200k engaged customers on Smart Home in 2021e

> 100k smart speakers sold, plus nearly 100k users via TV app/remote control in 2021e

**SCALING**

75% of DT router base by 2024e

90% of DT customer base enabled by 2024e

All DT services voice enabled by 2024e
Midterm ambition level
## Midterm ambition level

<table>
<thead>
<tr>
<th>Technology leadership</th>
<th>Value transformation</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Commitment to Fiber rollout</td>
<td></td>
</tr>
<tr>
<td>▪ GER: 10 mn HH passed</td>
<td></td>
</tr>
<tr>
<td>▪ EU: ≈10 mn HH passed</td>
<td></td>
</tr>
<tr>
<td>▪ 5G PoP coverage &amp; network leadership</td>
<td></td>
</tr>
<tr>
<td>▪ GER: ≈97%</td>
<td></td>
</tr>
<tr>
<td>▪ EU: &gt; 75%</td>
<td></td>
</tr>
<tr>
<td>▪ Further enhancing 5G innovation leadership &amp; consumer experience</td>
<td></td>
</tr>
<tr>
<td>▪ IT spend reduction: &gt; €0.2 bn</td>
<td></td>
</tr>
<tr>
<td>▪ Time-to-market: 2.0 months</td>
<td></td>
</tr>
<tr>
<td>▪ Agile share of development: 100%</td>
<td></td>
</tr>
<tr>
<td>▪ Increase degree of cloudified production</td>
<td></td>
</tr>
<tr>
<td>▪ NT: GER 67%; EU 42%</td>
<td></td>
</tr>
<tr>
<td>▪ IT: 80%</td>
<td></td>
</tr>
<tr>
<td>▪ Adj. indirect cost AL reduction (GER/GHS): €0.7 bn</td>
<td></td>
</tr>
<tr>
<td>▪ Technology energy consumption (GER &amp; EU): stable</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Technology development activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024e</td>
<td>Commitment to Fiber rollout</td>
</tr>
<tr>
<td>2024e1</td>
<td>GER: 10 mn HH passed</td>
</tr>
<tr>
<td>2024e</td>
<td>EU: ≈10 mn HH passed</td>
</tr>
<tr>
<td>2024e2</td>
<td>5G PoP coverage &amp; network leadership</td>
</tr>
<tr>
<td>2024e</td>
<td>GER: ≈97%</td>
</tr>
<tr>
<td>2024e</td>
<td>EU: &gt; 75%</td>
</tr>
<tr>
<td>2024e2</td>
<td>Further enhancing 5G innovation leadership &amp; consumer experience</td>
</tr>
<tr>
<td>2020–2024e</td>
<td>IT spend reduction: &gt; €0.2 bn</td>
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<tr>
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<td>Time-to-market: 2.0 months</td>
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<tr>
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<td>Agile share of development: 100%</td>
</tr>
<tr>
<td>2024e</td>
<td>Increase degree of cloudified production</td>
</tr>
<tr>
<td>2024e</td>
<td>NT: GER 67%; EU 42%</td>
</tr>
<tr>
<td>2024e</td>
<td>IT: 80%</td>
</tr>
<tr>
<td>2020–2024e</td>
<td>Adj. indirect cost AL reduction (GER/GHS): €0.7 bn</td>
</tr>
<tr>
<td>2020–2024e</td>
<td>Technology energy consumption (GER &amp; EU): stable</td>
</tr>
</tbody>
</table>

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1 AT, CZ, GR, HR, HU, ME, MK, SK (excl. RO & PL; FTTH/B & Docsis 3.1) 2 AT, CZ, GR, HR, HU, ME, MK, PL, SK (excl. RO)
Systems Solutions
Adel Al-Saleh
Key messages

01 T-Systems’ transformation is progressing
2018 transformation program has shown progress with EBITDA acceleration in 2019. Clean-up of portfolio resulted in T-Systems as a focused IT services company

02 Covid-19 with severe impact on business in 2020
Covid-19 crisis impacted T-Systems’ core client base, as a result delayed our transformation. Nonetheless, we have managed the crisis above industry average

03 Strategy:
Leading European IT service provider
Going forward we have a clear strategy. We focus on DACH and selected countries, leading with secure cloud and digital solutions and stronger industry orientation

04 Accelerate profitability and competitiveness
Transformation program re-energized end of 2020, opportunity for value creation is clear going forward

05 Financial outlook
We are confident growing adj. EBITDA AL by > 5% CAGR 2020–2024e and generate positive Cash contribution in the planning period
Review
2017–2021
T-Systems’ transformation path

2017–2018
From turbulence to stabilization

2018–2020
Tactical 4-pillar strategy

2021–2024
Strategy & business model evolution
T-Systems’ 2017–2020 transformation recap

Execution of 4-pillars, addressing fundamental business challenges

1. Portfolio-oriented business model (Portfolio P&L steering)
   - Strategic portfolio decisions: Exit of End-User-Services, Malaysia and South Africa. New mainframe structure, transfer of connectivity business to Telekom Deutschland
   - Focused T-Systems’ portfolio on cloud and digital services

2. Integrated go-to-market
   - New positioning in the market launched with strong traction
   - Modernized and digitized sales (Salesforce)

3. Clear delivery strategy to scale and drive efficiency (with ServiceNow)
   - 4 strategic delivery centers, build-up of > 2,000 FTE in India
   - On-shore to nearshore/off-shore ratio shift from 20% to 30%

4. Removal of 4 layers of management and 45% executives
   - Overhead (40% finance and 30% HR) reductions
   - ≈1,600 FTE net reduction in Germany (> 10%)
   - Agile organizational structure (1,500 to 500 org units)
   - Overall > €0.3 bn net (10%) indirect cost reductions executed (t/o 60% in Germany)
Cost transformation

Net indirect costs going down by > €0.3 bn

Net savings 2017–2020, € bn

Integrated sales
- Efficiency gain through new sales collaboration model and modernized tools (10% of total savings)

Delivery integration
- Efficiency gain through shoring and automation driving standardization and tooling (40% of total savings)

Overhead reduction
- Efficiency gain through removal of management layers and executives, streamlined x-functions and increased mobile working (50% of total savings)

Headcount reduction
- ≈1,600 FTE net reduction in Germany (> 10%)
- ≈4% headcount reduction globally

Promised

<table>
<thead>
<tr>
<th>Achieved</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.05</td>
<td>0.2</td>
<td>&gt; 0.3</td>
</tr>
</tbody>
</table>

Thereof cost savings in Germany: 60%

---

*1 2017–2021
Revenue shift 2017–2020 into growth areas visible. However, growth burdened by Covid-19.

Covid-19 revenue impact of -€250 mn
EUS rundown impact of -€180 mn

<table>
<thead>
<tr>
<th>Year</th>
<th>Classic</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>4.4 62%</td>
<td>38%</td>
</tr>
<tr>
<td>2019</td>
<td>4.3  59%</td>
<td>41%</td>
</tr>
<tr>
<td>2020</td>
<td>4.1  53%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Actual performance -2%¹ (-1% w/o End-user services (EUS)):

- Classic (-9%²)
  - Managed infrastructure services & private cloud: -8%
    (-4% w/o End-user-services (EUS))
  - Public cloud: +32%
  - Security: +15%
  - Digital solutions: -2% (Covid-19)
  - SAP: -5% (Covid-19)
  - Road charging: -2% (Regulation/Covid-19)

- Growth (+4%²)
  - Public cloud: +32%
  - Security: +15%
  - Digital solutions: -2% (Covid-19)
  - SAP: -5% (Covid-19)
  - Road charging: -2% (Regulation/Covid-19)

¹ CAGR 2017–2020 ² CAGR 2018–2020
## CMD 2018 commitments: Cost reduction delivered, revenue off track

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue growth(^1) (\approx 1%)</td>
<td></td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>Adj. EBITDA (AL) growth(^1) (\approx 5%)</td>
<td></td>
<td>0%</td>
<td>(\textcolor{orange}{\approx 5%})</td>
</tr>
<tr>
<td>Capex(^2) stable</td>
<td></td>
<td>Decrease</td>
<td></td>
</tr>
<tr>
<td>Special factors(^2) stable</td>
<td></td>
<td>Stable</td>
<td></td>
</tr>
<tr>
<td>Cash contribution (AL)(^3) break even 2020</td>
<td></td>
<td>Achieved in 2020 before carve out</td>
<td></td>
</tr>
<tr>
<td>Adj. indirect cost (AL) reduction(^2) of €0.1 bn</td>
<td></td>
<td>€0.3 bn</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Further key performance indicators</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBITDA (AL) margin(^4) (8–10%)</td>
<td></td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>TRI*M(^4) &gt; 80 pts</td>
<td></td>
<td>89 pts</td>
<td></td>
</tr>
</tbody>
</table>

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\(^1\) CAGR 2017–2021 \(^2\) 2017–2021 \(^3\) Cash contribution (AL) = Adj. EBITDA (AL) – Cash Capex – Special factors (Cash) \(^4\) In 2021 \(^5\) Actual results 2017–2020, or respectively actuals 2020 \(^6\) Normalized for COVID-19 and portfolio adjustments
Strategy
2021–2024
T-Systems is a focused IT services player with global delivery capabilities

Slovakia: Strategic Delivery Center
Russia: Strategic Delivery Center
India: Strategic Delivery Center
Hungary: Strategic Delivery Center
Germany: Headquarters

#1
IT Service provider in Germany

#2
IT Service provider in DACH

DAX30
Provider

≈581
Petabytes
Storage

16
Data centers

≈90,000
Servers

8
Security operation centers (SOCs) globally

20
Countries

28,098
Employees (FTE)
T-Systems is at the center of market IT growth opportunities

<table>
<thead>
<tr>
<th>Market observations</th>
<th>Geopolitical dynamics</th>
<th>T-Systems’ right to play</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology relevance in business is clear and increasing</td>
<td>European IT services to grow at 4–5%</td>
<td>#1 German IT player with strong European footprint (#2 in DACH)</td>
</tr>
<tr>
<td>Flexible, adaptable and scalable technology driving cloud growth</td>
<td>10% of digitalization potential captured so far in Germany</td>
<td>Proven market leader in cloud &amp; infrastructure, SAP, digital and security</td>
</tr>
<tr>
<td>Covid-19 crisis accelerating digitalization</td>
<td>European, sovereign sentiment is growing as an alternative to hyperscalers</td>
<td>Industry expertise and leadership, esp. in automotive, public sector and health</td>
</tr>
<tr>
<td>Security, data privacy are critical foundations</td>
<td>Data protectionism driving new regulations</td>
<td>Long standing, trusted client relationships – with TRI*M of 89 in 2020 and brand personality rating of 79</td>
</tr>
<tr>
<td>Economic stimulus packages accelerate Covid-19 recovery</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: BofA February 2021, Global CIO Survey // PAC Mkt Rankings 2020, GBM-MCM – Marketing Communications Strategy & Media | IBT | December 2020: (#1 in DACH for automotive and public sector, become a top-3 player in Europe for public transport – #2 for public transport and #3 in selected German healthcare payors and EU sovereign health cloud)
Video

#peoplemakeithappen

Voices of our customers
We will focus on select industries with vertical solution while providing compelling portfolio relevant to many industries.

- #1 IT Service provider in DACH, plus selected countries as core markets with ability to deliver globally
- Lead in 3–5 industries with focused vertical offerings – along with compelling horizontal portfolio for all industries
- Expand into €1 bn–€5 bn revenue customer segment while growing existing client base
- Strong “local” partner on eye-level for our clients on their digital transformation journey
- Sovereignty and security at the core of our proposition
1. Integrated cloud services

**Dynamics**

<table>
<thead>
<tr>
<th>Year</th>
<th>Classic Infrastructure</th>
<th>Cloud</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021e</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>2024e</td>
<td>30%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Public cloud is the focus of our clients and a fast-growing market

Hybrid multi-cloud is and will be dominant, with sovereignty being a major trend

TSI leading in industry specific cloud solutions (Automotive-Cloud, Health-Cloud, sovereign cloud)

Proven public cloud transformation with clients like Deutsche Telekom, Heineken, DPDHL, Shell, SBB

**How we execute**

**Cloud Application Services**
- Enterprise application services
- Developer services
- PaaS services
- Collaboration solutions

**Cloud Migration Services**

**Cloud Platform Services**
- Public cloud
- Private cloud
- On premise/Edge/campus

Growth projection public cloud > 10% CAGR until 2024e
Growth projection classic infrastructure services > -5%
2. Digital enabler

**Dynamics**

<table>
<thead>
<tr>
<th></th>
<th>SI Solutions</th>
<th>Digital Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021e</td>
<td>37%</td>
<td>63%</td>
</tr>
<tr>
<td>2024e</td>
<td>30%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Digitalization will continue to be a top priority across all industries. Fragmented and attractive market

**T-Systems’ 7,000+ experts in key technologies and digitalization skills**

**Proven client digitalization projects:**
- Corona-Warn-App
- Data analytics for European Central Bank
- Vaccination digitalization across EU
- Global Connected-Car-Platform

**How we execute**

- **Global software factory – Cloud native application development & management**
- **Core expertise in industry solutions, processes & services in our verticals**
- **Cloud & Landscape Transformation**
- **Platform & Digital Tech Services**
- **Digital Innovation**

**Standard-driven digital tech services on leading cloud platforms, e.g., Data Intelligence Hub, sovereign/federated cloud strategy & 5G campus edge**

**Growth projection digital 2% CAGR until 2024e**
3. Embedded security

Security remains top CIO investment priority

- **IT Security**: 50%
- **Digital Trafo**: 37%
- **Cloud Adoption**: 27%
- **Data Analytics**: 18%

Excerpt Citi CIO survey 2020

Security is the backbone for digitalization with unique approach embedding security into offerings

New security solutions for AI-based technologies, machine learning, automation

T-Systems with 8 strategically located Security Operating Centers with over 2000 experts

Security is the backbone for digitalization with unique approach embedding security into offerings

New security solutions for AI-based technologies, machine learning, automation

T-Systems with 8 strategically located Security Operating Centers with over 2000 experts

Cyber defense

Growth projection security > 6% CAGR until 2024e
## Accelerating our transformation into profitability.

5 levers to realize next step in gross savings potentials until 2024e

<table>
<thead>
<tr>
<th>Levers</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>01 Delivery model</strong></td>
<td>- Shoring quota from 30% to 35%</td>
</tr>
<tr>
<td></td>
<td>- Automation degree +16pp, operational excellence</td>
</tr>
<tr>
<td><strong>02 Business process standardization</strong></td>
<td>- Portfolio, delivery &amp; IT standardization</td>
</tr>
<tr>
<td></td>
<td>- Rundown of 15/46 tools by end of 2024e</td>
</tr>
<tr>
<td><strong>03 Lean overhead/sales costs</strong></td>
<td>- Reduce Sellex</td>
</tr>
<tr>
<td></td>
<td>- Further reduce G&amp;A costs and executives</td>
</tr>
<tr>
<td><strong>04 We.work.new</strong></td>
<td>- Leverage new ways of working:</td>
</tr>
<tr>
<td></td>
<td>Reduce real estate in Germany by 50%</td>
</tr>
<tr>
<td><strong>05 PU-specific topics</strong></td>
<td>- Specific cost measures, e.g., platform &amp; data center consolidation</td>
</tr>
</tbody>
</table>

€0.2 bn net savings¹

¹ 2020–2024e
Our Strategy

Our Mission

We enable organizations to reach full potential through digitalization.

Learning & relentless improvements

#peoplemakeithappen

Agility and T-Mindset

Sustainability & diversity

Our Vision

Most reliable IT service provider with best technology and industry expertise

Data sovereignty

Innovation with an open partner ecosystem

Secure operational excellence

We partner with you on your journey ...

... into a modern, secure & resilient digital environment

We are multi cloud enabler & operator

Client success

We are digitalization enabler

Advisory

Cloud services

Digital enabler

Security

Leading in DACH

Differentiated industry solutions

Compelling horizontal solutions for all industries

GROUP STRATEGY | GERMANY | EUROPE | T-MOBILE US | TECHNOLOGY & INNOVATION | SYSTEMS SOLUTIONS | GROUP DEVELOPMENT | FINANCE
Midterm ambition level
## Midterm ambition level

<table>
<thead>
<tr>
<th>Metric</th>
<th>Midterm ambition level</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue CAGR</td>
<td>slight growth</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>Adj. EBITDA AL CAGR</td>
<td>&gt; 5%</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>Adj. EBITDA AL margin</td>
<td>9%</td>
<td>2024e</td>
</tr>
<tr>
<td>Adj. indirect cost AL reduction</td>
<td>€0.2 bn</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>Cash Capex</td>
<td>stable</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>Cash contribution AL¹</td>
<td>Break-even</td>
<td>2023e</td>
</tr>
</tbody>
</table>

¹ Cash contribution AL = Adj. EBITDA AL – Cash Capex – Special factors (Cash)
Group Development
Thorsten Langheim
Key messages

**01 Superior portfolio**
Leading EU Telco plus best US MNO boosted by massive synergies

**02 Successful portfolio management**
Track Record: Strato, Scout, TMUS, TMNL, Towers, FMC\(^1\)

**03 No dogma**
Focus on what drives value: TMUS, divest-to-invest, FMC\(^1\) deals

**04 Long-term perspective**
US took 10 years, TMNL 5 years, said “no” to several tower deals below 20x

**05 Strategic optionality**
Strategic review: Towers/TMNL, additional tower Carve-outs (CZ/SK)

---

\(^1\) Fixed-Mobile Convergence
DT – We are different: We grow, create value and have strategic optionality

Long-term value creator

DT has outperformed in the past...

L5Y TSR

<table>
<thead>
<tr>
<th>T..</th>
<th>34%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ø EU Peers¹</td>
<td>-7%</td>
</tr>
</tbody>
</table>

...and will continue to outperform in the future

EBITDA² 2020–2024e CAGR

<table>
<thead>
<tr>
<th>T..</th>
<th>3–5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ø EU Peers¹</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Our approach

Unique portfolio approach: Divest to invest/turnarounds/optionality

Keep freedom to act: Transact/wait/shift capital between assets

Strong principles, but no dogma

What’s next?

We are #2, aim at #1...
DT has lots of options
- Control
- Return of cash

Created one of the best MNOs in Europe
- Overachieve synergies
- Strategic review

1st to carve out towers, but...
right to wait: Kingmaker asset
- Carve-out of further tower assets
- Full transaction flexibility

Source: Broker estimates (Capital IQ), TSR is Total Shareholder Return as of May 14th, 2021
1 Consensus Capital IQ, May 14th, 2021; EU peers include BT, Orange, Telefonica, TIM, KPN, Swisscom, Telia, Telekom Austria
2 Adj. EBITDA AL
Group Development – Significant value created since last CMD

### TMUS: Monumental deal
- DT stake in TMUS market cap: +$44 bn
- Source: Capital IQ, “Today” = May 14th, 2021

### Active management of dedicated DT assets
- SOTP value of GD assets: +€10 bn

### Value accretive portfolio management
- In-market consolidation
- M&A
- Reinvest into growth

---

1 Source: Capital IQ, “Today” = May 14th, 2021
2 SOTP (sum-of-the-parts) based on broker consensus 100% EV adj. for Simpel acquisition price and NL/AT Towers

---

32 CMD 2018
76 Today
+44 bn

8+ TMNL
2+ GD Towers
6.1 Today
12.8

18.5 CMD 2018
5.7 Today
+10 bn
DT has built one of the best portfolios in the telco industry

**Massive value creation**

- **+$44 \text{ $ bn}**
  - TMUS value increase for DT shareholders$^1$

**Best European telco portfolio**

- **+$3\%**
  - DT ex US adj. EBITDA AL growth (2017–2020A)$^3$
  - vs. peers$^4@s \approx 0\%$

**EU #1**

- (Total revenue)$^5$

---

$^1$ Change in value of DT stake in TMUS' market cap since CMD 2018  
$^2$ TMUS consensus, February 2021; 2026 Guidance per TMUS Analyst Day 2021  
$^3$ Adj. EBITDA AL (CAGR, organic)  
$^4$ European peers include BT, Orange (ex. Africa), Telefonica (ex LatAm), TIM (domestic), KPN, Swisscom, Telia, Telekom Austria; organic growth  
$^5$ Revenue leader in 10/12 European markets, based on company reportings
### CMD 2018 commitments: Ambition mostly delivered

<table>
<thead>
<tr>
<th></th>
<th>Ambition 2017–2021e</th>
<th>Achievements 2020¹</th>
<th>2017–2021e¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue² CAGR</td>
<td>+3%</td>
<td>+2%</td>
<td></td>
</tr>
<tr>
<td>Adj. EBITDA (AL) CAGR</td>
<td>+3–4%</td>
<td>+6%</td>
<td></td>
</tr>
<tr>
<td>Cash Capex CAGR³ – moderate growth</td>
<td>+17%</td>
<td>+7%</td>
<td></td>
</tr>
<tr>
<td>Cash contribution (AL)⁴ CAGR</td>
<td>-4%</td>
<td>+6%</td>
<td></td>
</tr>
<tr>
<td>Expand portfolio: Macro cells</td>
<td>+9k</td>
<td>+5k</td>
<td></td>
</tr>
</tbody>
</table>

¹ On a like-for-like basis; Actual results 2017–2020, or respectively actuals 2020
² Revenue adjusted for regulation, IFRS 15 and handset subsidy regulation
³ w/o Spectrum
⁴ Cash contribution (AL) = Adj. EBITDA (AL) – Cash Capex – Special factors (Cash); incl. TDG rollout
Deep Dives

TMUS  TMNL  TOWERS  DTCP
USA – We were patient and said “no” many times

April 2014: Sprint
October 2014: iliad
July 2015: dish

Exchange ratio: 3.6x
Share price indexed to 100

April 2017: Sprint
November 2017: Sprint
April 2018: Sprint

Subsequently secured call option for ≈45 mn TMUS shares at ≈$101 per share (+ROFR)

Source: Capital IQ ¹ Subject to true-up
12 months on since closing – a great start...

**TMUS/Sprint merger ahead of plan since closing April 2020**

- Conducted successful management succession
- Renegotiated exchange ratio, plus valuable SB call option
- Spectrum leader, synergies & FCF upgraded despite COVID-19
- Up to $60 bn shareholder returns announced, > 7x DT divi
- Target price $162 vs. $102 (April 2020)

---

**Upgrade to deal synergies**

NPV synergies, $ bn

- $43 bn
- > $70 bn

**Best US MNO balance sheet**

Consensus leverage 2021e

- AT&T: 3.0x
- Verizon: 3.0x
- T-Mobile: 2.6x

---

1 56.6 mn floating options plus 44.9 mn call options at c.$101 per share  
2 Calculated as $60 bn x 43.3% divided by assumed USD fx rate of 1.20 = €22 bn divided by DT annual dividend of €2.8 bn  
3 Source: Capital IQ, May 14th, 2021  
4 TMUS Investor Day presentation (March 2021), original merger case Synergy NPV using 8% discount rate, current outlook $70 bn @7% and $60 bn @8%  
5 Source: Capital IQ, May 14th, 2021
Unparalleled Value Creation Track Record: +700% since IPO

<table>
<thead>
<tr>
<th>Year</th>
<th>TMUS Market Cap</th>
<th>DT Stake</th>
<th>Value creation for DT shareholders(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$13 bn</td>
<td></td>
<td>$18</td>
</tr>
<tr>
<td>2014</td>
<td>$32 bn</td>
<td></td>
<td>+$23 bn</td>
</tr>
<tr>
<td>2015</td>
<td>$51 bn</td>
<td></td>
<td>+$67 bn</td>
</tr>
<tr>
<td>2016</td>
<td>$63</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$76 bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>$142</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>$176 bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>$176 bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Today</td>
<td>$13 bn</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Capital IQ, May 14th, 2021

1. Since Metro PCS merger; based on 638.6 mn TMUS shares owned by DT and respective spot fx rates
2. EV based on TMUS Share Price of $83.9 as of March 31\(^1\), 2020, Sprint FDSO of 4,173, final exchange ratio of 0.10256, and a total Sprint net debt of $34.2 bn
3. Based on 171 MHz Sprint spectrum holding @ implied $/ MHz-PoP of $1.13 based on TMUS 2021 C-Band auction gross proceeds of $9.3 bn (excl. relocation costs)
4. TMUS Investor Day presentation (March 2021), original merger case Synergy NPV using 8% discount rate, current outlook $70 bn @7% and $60 bn @8%

Acquisition of Sprint

- $67 bn
- Value of Sprint Spectrum @TMUS C-Band $/MHz PoP\(^3\)
- Synergy NPV\(^4\)

Customers, Network, EBITDA, etc.
TMUS – The way forward

DT as Controlling Shareholder

TMUS Shareholder Structure, %

- Proxy agreement with Softbank until 2024
  - SB 8% subject to lock-up + ROFR
- Shareholder Agreement
  - CEO/Chairman
  - DT nominating 10 out of 14 directors of the Board
  - Veto rights
- DT call option on 101.5 mn TMUS shares
  - Thereof 45 mn call options at ≈$101 per share

TMUS plan provides potential for up to $60 bn of SBB 2023–2025

- Illustrative share buyback volume of $60 bn 2023–2025
- FCF target $18 bn+ 2026e

- DT participating
  - €22 bn cash to DT (43% of $60 bn)
- DT not participating
  - DT stake from 43% to 57%

1 This example is purely illustrative, any share buyback at the discretion of TMUS Board subject to other capital allocation options – no decision has been taken
2 Illustrative calculation assuming average TMUS share price over share buyback program at $162 (target price per Capital IQ, per May 14th, 2021), repurchase of ≈370 mn shares, TMUS shares outstanding 1,249 mn as per December 2020, estimated at 1,313 mn (incl. true up) as per December 2022, DT stake in TMUS 639 mn shares (excl. proxy agreement), assumed USD fx rate of 1.20
From falling knife to successful turnaround to one of the best MNOs in Europe

Value creation

- Superior execution: 15% EBITDA (AL) CAGR 2018–2020
  - The #1 mobile Un-carrier in the Netherlands

34% ⇒ 39%
Organic mobile market share increase since CMD 2018

World’s best mobile network

- Track record of value accretive M&A

**TELE2**
Merger

**simpel**
Acquisition

**thuis**
Acquisition

**TOWER**
Carve-out & sale

Source: Company Reports

1 Organic 2 Mobile contract subscriber market share December 2017 vs. December 2020, PF for Tele2 and Simpel
3 Based on P3 score 4 2014–2017 simple sum of TMNL and Tele 2, not pro-forma 5 Regulation: Roam like Home, IFRS 15 & handset subsidy regulation, MTR regulation 6 2014–2017 approximated for TMNL + Tele 2

TMNL back to sustainable growth trajectory

Contract net adds, k

<table>
<thead>
<tr>
<th>Year</th>
<th>Tele 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>-55</td>
</tr>
<tr>
<td>2015</td>
<td>-48</td>
</tr>
<tr>
<td>2016</td>
<td>183</td>
</tr>
<tr>
<td>2017</td>
<td>272</td>
</tr>
<tr>
<td>2018</td>
<td>363</td>
</tr>
<tr>
<td>2019</td>
<td>311</td>
</tr>
<tr>
<td>2020</td>
<td>200</td>
</tr>
</tbody>
</table>

MSR, % yoy

excl. regulation

Adj. EBITDA AL, € mn

2014: -35%
2015: 15%
2016: 0%
2017: 10%
2018: 20%
2019: 35%
2020: 50%
One of the best EU telco operators – our “crown jewel”

Stronger top line growth than local competition...

Total service revenue development, % yoy org

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>T</td>
<td>-4.0%</td>
<td>-4.5%</td>
</tr>
<tr>
<td>KPN</td>
<td>2.4%</td>
<td>2.8%</td>
</tr>
<tr>
<td>VodafoneZiggo</td>
<td>-0.3%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

...and fastest growing EBITDA AL in Europe...

Adj. EBITDA AL CAGR 2018–2020, %

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total service revenue excl. synergies</td>
<td>14.5%</td>
<td>5.6% 5.1% 3.1% 2.1%</td>
</tr>
<tr>
<td>Excluding synergies</td>
<td>5.3%</td>
<td>-1.5% -2.2%</td>
</tr>
</tbody>
</table>

Source: Company Reports
Note TMNL: Adjusted for the acquisition of Simpel in December 2020
Note DNA: In 2020, IFRS 16 impacts kept on the same level as 2019
Note Sunrise: Q4 2020 figures estimated. In 2020 IFRS 16 impacts kept on the same level as 2019
Note Telefonica: In 2020 IFRS 16 impacts are estimated
TMNL Value Creation

**SOTP Value**

**EV, € bn**

- **2018 CMD**
- **today (broker SOTP)¹**
  - ≈2.5x
  - €5.7 bn
  - Towers sold
  - ≈€30 mn adj. EBITDA AL

- **€2 bn+**

**Future strategic initiatives**

- **Accelerate monetization** of world-leading mobile network and nationwide 5G
- **Accelerate pivot to FMC** to boost growth outlook
- **Overdeliver on Tele2 and Simpel integration synergies**
- **Materially improve fixed access economics**

**Strategic review of TMNL initiated**

Source: Brokers ¹ SOTP based on broker consensus 100% EV adj. for Simpel acquisition price and NL/AT Towers
GD Towers: Kingmaker asset in the European infra market

DT tower portfolio – GD Towers anchored around Germany

- K sites

Unique premium-quality assets

- #1 in Germany – scale and asset quality
- Tier #1 mobile operators as anchor tenants
- Fully independent since 2017, transaction readiness
- Strong value creation
- Kingmaker asset – strategic optionality for European infrastructure market consolidation

Source: TowerXchange, Companies Investor Relations; Broker Research; Vantage figures excl. INWIT and Cornerstone

1 Based on the number of owned sites
Industry-leading tower operations with promising growth outlook

GD Towers: Strong operational track record

2017–2020 organic sites add\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>GD Towers</th>
<th>Cellnex</th>
<th>AMT Europe</th>
<th>INWIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add</td>
<td>≈5,000</td>
<td>≈2,000</td>
<td>≈650</td>
<td>≈400</td>
</tr>
</tbody>
</table>

Largest build-to-suit program delivered

3\(^{rd}\) party revenue share in FY 2020\(^2\)

<table>
<thead>
<tr>
<th></th>
<th>GD Towers</th>
<th>INWIT</th>
<th>Vantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share</td>
<td>26%</td>
<td>13%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Market-leading 3\(^{rd}\) party share of revenues

Adj. EBITDA AL in FY 2020, € mn

<table>
<thead>
<tr>
<th></th>
<th>Cellnex</th>
<th>GD Towers</th>
<th>Vantage</th>
<th>INWIT</th>
<th>Totem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBITDA AL margin</td>
<td>≈63%</td>
<td>≈57%</td>
<td>≈65%</td>
<td>≈60%</td>
<td>≈55%</td>
</tr>
</tbody>
</table>

Large-scale commitments cement future financial prospects

≈4k new sites to be commercially built until 2024

≈2k new white spot sites
In Germany and Austria to fulfil license obligations

> 15k site upgrades

Source: Company Investor Relations; All figures presented are pro forma  
\(^1\) Excl. small cells; AMT Europe incl. distributed antenna systems  
\(^2\) Only captive or part-captive TowerCos presented
Patience rewarded – 2x increase in value with further upside

Several tower transaction opportunities assessed since 2016
EV/EBITDA\(^1\) transaction multiples

<table>
<thead>
<tr>
<th>Year</th>
<th>Transaction</th>
<th>Multiples</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>DTCP Sunrise tower co-invest with Cellnex</td>
<td>15x</td>
</tr>
<tr>
<td>2017</td>
<td>Cross-shareholding DFMG/ EU TowerCo</td>
<td>15x</td>
</tr>
<tr>
<td>2018</td>
<td>Merger with EU TowerCo</td>
<td>12x</td>
</tr>
<tr>
<td>2019</td>
<td>50/50 JV with EU TowerCo</td>
<td>12x</td>
</tr>
<tr>
<td>2020</td>
<td>Sale of Dutch towers @ attractive valuation(^2)</td>
<td>6.1</td>
</tr>
<tr>
<td>2021</td>
<td>Merger with EU TowerCo</td>
<td>20x</td>
</tr>
</tbody>
</table>

Two-fold increase in GD Towers value – further upside potential\(^3\)

- GD Towers EV/EBITDA\(^4\)
- GD Towers SotP EV (€ bn)
- GD Towers EV (€ bn)

\(^1\) LTM Adj EBITDA AL
\(^2\) EV/EBITDA multiple undisclosed; premium valuation in comparison to Vantage IPO EV/EBITDA
\(^3\) SOTP valuation figures only available as of 2018; 2021 adjusted for NL/AT
\(^4\) Based on weighted average of Vantage, INWIT and Cellnex EV/EBITDA

Source: Capital-IQ, Equity Research
**DTCP: Leading European investment platform**

**Significant financial returns since 2015**

- Total revenue by DT through joint go-to-market:
  - > €570 mn

- Investments:
  - Fund paid-in-capital: 1.3
  - Strato and Scout24: 0.9

- Proceeds and FMV:
  - Portfolio FMV: 2.4
  - Fund distributions: 0.5

- Fund distributions:
  - Strato and Scout24: 1.6

**Proven and successful strategy with high profile exits**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fund size²</th>
<th>MOIC³</th>
<th>IRR⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth Fund I</td>
<td>$140 mn</td>
<td>2.5x</td>
<td>38%</td>
</tr>
<tr>
<td>Growth Fund II</td>
<td>$350 mn</td>
<td>2.7x</td>
<td>45%</td>
</tr>
<tr>
<td>Infra Fund I</td>
<td>€200 mn</td>
<td>2.2x</td>
<td>22%</td>
</tr>
</tbody>
</table>

**Dedicated Portfolio Development Team driving value for DT**

- 10+ new logo wins with TSI with TCV of > €20 mn
- Signed first joint customer Aldi Nord with 10k devices
- Achieved deployment as part of the Access 4.0 initiative

**Digital Infrastructure: Investing for a connected society**

- Div
  - Evolution to independent digital infrastructure strategy

---

1 Includes proceeds from Lauderdale fund secondary sale, excludes strategic investment funds (TIP, DTVF)  
2 Committed capital; for GF II: includes third-party capital  
3 MOIC on realized exits  
4 Gross IRR as of Q1 2021  
5 Cumulative contract values since 2017; US$/€ at 0.84
Midterm ambition level
We drive and strive to improve asset values

**T Mobile**
- Deal closed
- FCF upgrade
- Network leader

**BT**
- Long-term FTTP regulation
- Pricing rationality

**T Mobile**
- Best network, #1 B2C, fastest B2B growth
- FMC push, alternative FTTH access
- Tele2/Simpel M&A
- Towers divestiture

**GD Towers**
- Unique portfolio, tier #1 MNO anchor
- Market-leading financials
- M&A patience rewarded – value doubled

**DTCP**
- Top quartile performance
- Raise external capital to build scale
- Set up innovative Infra-Fund

---

**Source Capital IQ, May 14th, 2021**

1 Managed by Digital Transformation Capital Partners
Delivering shareholder value

Capital allocation priorities

1. TMUS ownership > 50%
2. Network leader on both sides of the Atlantic
3. De-lever ≤ 2.75x
4. Attractive & affordable dividend
5. Maximize value of portfolio assets
   Next: Strategic review of TMNL and Towers

What comes next

Demonstrate the value of DT Group portfolio

- Strategic review to identify best owner and reallocate proceeds
  - Crown jewel TMNL
  - Kingmaker asset towers

Market cap

<table>
<thead>
<tr>
<th></th>
<th>DT</th>
<th>TMUS</th>
<th>DT ex US</th>
<th>GD^2</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>63</td>
<td>17</td>
<td>14</td>
<td></td>
</tr>
</tbody>
</table>

Source: Capital IQ, May 14th, 2021; EUR/USD fx rate of 1.21; 2 Calculated by deducting assumed fair share of Group Net Debt (2.78x multiplied by 2020 EBITDA adj.) from Consensus SoP for TMNL & GD Towers; TMNL market cap incl. DT-owned share of 75% plus shareholder loan of €1.2 bn; ^3 Incl Adj. EBITDA AL per 2020 for segments Germany, Europe, T-Systems and GHS
## Midterm ambition level

<table>
<thead>
<tr>
<th>TMNL</th>
<th>Midterm ambition level</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td># Consumer fixed households: ≈0.9 mn</td>
<td>2024e</td>
<td></td>
</tr>
<tr>
<td>FMC penetration of branded T-Mobile customer base: &gt; 40%</td>
<td>2024e</td>
<td></td>
</tr>
<tr>
<td>Digital channel share of customer transactions: &gt; 50%</td>
<td>2024e</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GD Towers</th>
<th>Midterm ambition level</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td># New sites: number of new builds: ≈6k</td>
<td>Cum 2021–2024e</td>
<td></td>
</tr>
<tr>
<td># Extensions: amount of site extensions: &gt; 15k</td>
<td>Cum 2021–2024e</td>
<td></td>
</tr>
<tr>
<td>Growth in rec. 3rd party business – DT external revenue: CAGR &gt; 3%</td>
<td>2020–2024e</td>
<td></td>
</tr>
<tr>
<td>Site based Opex AL/site efficiency: Decrease vs. 2020</td>
<td>2024e</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financials</th>
<th>Midterm ambition level</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue: CAGR &gt; 2%(^1)</td>
<td>2020–2024e</td>
<td></td>
</tr>
<tr>
<td>Adj. EBITDA AL: CAGR &gt; 4%</td>
<td>2020–2024e</td>
<td></td>
</tr>
<tr>
<td>Cash contribution AL(^2): CAGR &gt; 6%</td>
<td>2020–2024e</td>
<td></td>
</tr>
</tbody>
</table>

---

\(^1\) Revenue w/o regulatory impacts  
\(^2\) Cash contribution AL = Adj. EBITDA AL – Cash Capex – Special factors (Cash)
Finance

Christian Illek
Key messages

01 Delivery
We delivered on what we promised at the last CMD, and will do so again

02 Growth
We will deliver strong growth in all key metrics (Revenue, Adj. EBITDA AL, FCF AL, adj. EPS, ROCE)

03 Costs
Our earnings growth is supported by €1.2 bn adj. indirect cost AL savings (ex US) and merger benefits (US)

04 Leverage
We will be back in our comfort zone of 2.25x–2.75x by end of 2024

05 Shareholders
€60 c delivered through peak investment period. Going forward, we are moving to 40–60% payout ratio of adj. EPS while retaining €60 c minimum

06 Bondholders
We are very well funded, and remain committed to unrestricted access to credit markets
Review
2017–2021
# EBITDA growth and cost savings better, Capex in line

<table>
<thead>
<tr>
<th>Adj. EBITDA (AL) growth</th>
<th>Adj. indirect cost (AL) and Cash Capex ex US</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAGR¹, %</td>
<td>€ bn</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group</th>
<th>Ex US</th>
<th>Adj. IDC (AL) savings</th>
<th>Cash Capex³</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMD 2018 promise</td>
<td>CMD 2018 promise</td>
<td>CMD 2018 promise</td>
<td>CMD 2018 promise</td>
</tr>
<tr>
<td>2–4%</td>
<td>2–3%</td>
<td>1.5</td>
<td>≈7.7</td>
</tr>
<tr>
<td>4.4%/6.4%²</td>
<td>3%</td>
<td>1.7</td>
<td>7.7</td>
</tr>
<tr>
<td>2017–2021e</td>
<td>2017–2021e</td>
<td>2021e</td>
<td></td>
</tr>
</tbody>
</table>

- Ex US EBITDA AL growth 14 quarters in a row
- Strong contribution from all segments
- Promise kept in each year

¹ CAGR based on annual growth rates on a like-for-like basis  
² Corrected for handset leases “Core EBITDA”  
³ Excl. Spectrum  
⁴ On a like-for-like basis
Indirect cost savings target will be overachieved

Adj. indirect cost (AL) net savings ex US
€ bn

- Germany/GHS
  - 1.7
  - ≈€1.0 bn

- Europe
  - ≈€0.4 bn

- T-Systems
  - ≈€0.3 bn

FTE in region Germany
thousands

- 2017
  - 102

- 2021e
  - 85

CMD 2018 promise

2017–2021e
FCF and EPS at the upper end of merger scenario

**CMD 2018 promise**

- **FCF (AL) > €8 bn in 2021, ex merger (CAGR +10%)**
- **Adj. EPS ≈ €1.20 in 2021, ex merger**
- Merger to dilute for up to 3 years

### FCF (AL)

<table>
<thead>
<tr>
<th>Year</th>
<th>FCF (AL) € bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>5.5</td>
</tr>
<tr>
<td>2021e</td>
<td>&gt; 8</td>
</tr>
</tbody>
</table>

- ≈+14%²

### Adj. EPS

<table>
<thead>
<tr>
<th>Year</th>
<th>Adj. EPS €/share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>0.94</td>
</tr>
<tr>
<td>2021e</td>
<td>&gt; 1.1</td>
</tr>
</tbody>
</table>

- Ex US FCF shortfall (€0.4 bn) can be explained with non-operational effects
- FCF (AL): $2.5–3 bn merger related OPEX in 2021

---

1 Before dividend payments and spectrum invest ² CAGR based on annual growth rates on a like-for-like basis ³ On pre IFRS 16 base ⁴ Excl. US tax reform effect (≈ €35 c)
Operational performance and reliable dividend lead to clear TSR outperformance

**CMD 2018 promise**
- Dividend to reflect growth in adj. EPS
- Minimum €50 c

**In 2019: €60 c as new minimum**

**Market view**
Total Shareholder Return since CMD 2018¹, %

- EU Telcos: -11
- DAX: 19
- DT: 41

---

¹ Source: FactSet, as per May 14th, 2021
Leverage ratio in line with expectations

CMD 2018 promise
- Back into comfort zone 3 years after merger close
- Rating of A-/BBB
- Leverage ratio (pre IFRS 16) of 2.0–2.5x

2019 Ex Leases (Pre IFRS 16) 2,36x
2020 Net debt to Adj. EBITDA
2021e 2.78x
2022e 2.40x
2023e ≤2.75x

- Introduction of IFRS 16 led to adjusted leverage corridor: 2.25x–2.75x
- Merger closing delayed to April 1st, 2020
- Despite headwinds (ATC deal, C-Band auction) returning back into comfort zone still feasible by end of 2023

Prior to TMUS share buyback  2Net debt w/o lease liabilities to Adj. EBITDA AL

Notes:
1 Prior to TMUS share buyback
2 Net debt w/o lease liabilities to Adj. EBITDA AL
Updated guidance 2021 reflects improved Q1 outlook for TMUS and DT ex US

**Adj. EBITDA AL**

<table>
<thead>
<tr>
<th></th>
<th>Ex US</th>
<th>TMUS</th>
<th>US GAAP IFRS bridge</th>
<th>2021e</th>
<th>Original guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>14.0</td>
<td>21.0</td>
<td>0.4</td>
<td>&gt; 2.4</td>
<td>&gt; 22.7</td>
</tr>
<tr>
<td>2021e</td>
<td>14.4</td>
<td>22.7</td>
<td>-0.8</td>
<td>&gt; 37</td>
<td>≈ 37.0</td>
</tr>
<tr>
<td></td>
<td>14.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**FCF AL**

<table>
<thead>
<tr>
<th></th>
<th>Ex US</th>
<th>TMUS</th>
<th>2021e</th>
<th>Original guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>3.3</td>
<td>3.0</td>
<td>&gt; 1.5</td>
<td>&gt; 4.5</td>
</tr>
<tr>
<td>2021e</td>
<td>3.5</td>
<td>4.5</td>
<td></td>
<td>≈ 8.0</td>
</tr>
</tbody>
</table>

- TMUS EBITDA included at midpoint of US GAAP guidance of $26.5 bn to $27.1 bn, adjusted for estimated bridge of €0.8 bn.
- US FCF included at midpoint of US GAAP guidance of $5.1 bn to $5.5 bn.

1 Based on constant exchange rates (average exchange rate 2020 of €1 = US$1.14)  
2 Before dividend payments and spectrum invest, in 2020 also before Payer Swap & Zero Bond
### CMD 2018 commitments: Strong delivery

<table>
<thead>
<tr>
<th>Metric</th>
<th>Ambition 2017-2021e</th>
<th>Achievements 2020¹</th>
<th>2017–2021e³</th>
<th>Merger Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue CAGR</td>
<td>1–2%</td>
<td>3.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj. EBITDA (AL) CAGR</td>
<td>2–4%</td>
<td>6.4%/7.7%²</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj. EBITDA (AL) CAGR (ex US)</td>
<td>2–3%</td>
<td>3.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FCF (AL) CAGR</td>
<td>≈10%; 2021: &gt; €8 bn</td>
<td>9.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FCF (AL) (ex US)</td>
<td>2021: ≈€4 bn</td>
<td>€3.3 bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj. EPS</td>
<td>2021: ≈€1.2</td>
<td>€1.2 (£1.05 ex SB options)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROCE</td>
<td>ROCE &gt; WACC</td>
<td>4.6% &gt; WACC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Capex (ex US)</td>
<td>Stable</td>
<td>Stable</td>
<td></td>
<td>(Dilutive)</td>
</tr>
<tr>
<td>Adj. indirect cost (AL) (ex US)</td>
<td>€1.5 bn (net savings)</td>
<td>€1.4 bn</td>
<td></td>
<td>(Dilutive)</td>
</tr>
<tr>
<td>Dividend</td>
<td>To reflect growth in adj. EPS; €50 c floor</td>
<td>€60 c in 2020</td>
<td></td>
<td>(Dilutive)</td>
</tr>
</tbody>
</table>

¹ On a like-for-like basis, actual results 2017–2020, or respectively actuals 2020
² Corrected for handset leases “Core EBITDA”
³ Merger impact taken into consideration

1 On a like-for-like basis, actual results 2017–2020, or respectively actuals 2020
2 Corrected for handset leases “Core EBITDA”
3 Merger impact taken into consideration
Strategy

2021–2024
We will strongly grow the bottom line

<table>
<thead>
<tr>
<th>FCF AL$^1$</th>
<th>Adj. EPS</th>
<th>ROCE $^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ bn$^2$</td>
<td>€/share$^2$</td>
<td>%</td>
</tr>
<tr>
<td>6.3</td>
<td>1.20</td>
<td>4.6%</td>
</tr>
<tr>
<td>2020</td>
<td>2020</td>
<td>2020</td>
</tr>
<tr>
<td>&gt; 8</td>
<td>&gt; 1.1</td>
<td>4.0%</td>
</tr>
<tr>
<td>2021e</td>
<td>2021e</td>
<td>2021e</td>
</tr>
<tr>
<td>&gt; 18</td>
<td>&gt; 1.75</td>
<td>&gt; 6.5%</td>
</tr>
<tr>
<td>2024e</td>
<td>2024e</td>
<td>2024e</td>
</tr>
</tbody>
</table>

- US merger integration as main driver
- Steady growth from 2021 onwards
- ROCE growth on both sides of the Atlantic

1. Before dividend payments and spectrum invest, in 2020 also before Payer Swap & Zero Bond
2. Based on constant exchange rates (average exchange rate 2020 of €1 = US$1.14)
TMUS with strong EBITDA and FCF growth

<table>
<thead>
<tr>
<th>Adj. EBITDA AL</th>
<th>Cash Capex</th>
<th>FCF AL</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ bn¹</td>
<td>€ bn¹</td>
<td>€ bn¹</td>
</tr>
<tr>
<td>21.0</td>
<td>9.3</td>
<td>3.0</td>
</tr>
<tr>
<td>2020</td>
<td>2020</td>
<td>2020</td>
</tr>
<tr>
<td>&gt; 22.7</td>
<td>≈10.3</td>
<td>&gt; 4.5</td>
</tr>
<tr>
<td>2021e</td>
<td>2021e</td>
<td>2021e</td>
</tr>
<tr>
<td>27.0–28.0</td>
<td>8.0–9.0</td>
<td>14.0–16.0</td>
</tr>
<tr>
<td>2024e</td>
<td>2024e</td>
<td>2024e</td>
</tr>
</tbody>
</table>

- Core EBITDA CAGR 2020–2024: ≈10%
- Integration spend peak in 2021
- Network migration to be finalized by mid 2022
- FCF growth accelerates once network buildout is finalized

¹ Based on constant exchange rates (average exchange rate 2020 of €1 = US$1.14)  
² Excl. Spectrum  
³ Before dividend payments and spectrum invest, in 2020 also before Payer Swap & Zero Bond
Ex US EBITDA growth funds both accelerated Fiber build-out and FCF growth

- EBITDA growth due to net margin growth and indirect cost reduction
- Increased Capex umbrella to achieve 2.5 mn HH run rate in German Fiber build out
- Driven by growing OpCF
- Other drivers\(^3\) steady and overall, broadly net neutral in 2021–2024

---

**Adj. EBITDA AL**

<table>
<thead>
<tr>
<th>Year</th>
<th>€ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>14.0</td>
</tr>
<tr>
<td>2021e</td>
<td>14.4</td>
</tr>
<tr>
<td>2024e</td>
<td>15.3</td>
</tr>
</tbody>
</table>

CAGR +2–3%

**Cash Capex\(^1\)**

<table>
<thead>
<tr>
<th>Year</th>
<th>€ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>7.7</td>
</tr>
<tr>
<td>2021e</td>
<td>7.7</td>
</tr>
<tr>
<td>2024e</td>
<td>8.2</td>
</tr>
</tbody>
</table>

**FCF AL\(^2\)**

<table>
<thead>
<tr>
<th>Year</th>
<th>€ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>3.3</td>
</tr>
<tr>
<td>2021e</td>
<td>3.6</td>
</tr>
<tr>
<td>2024e</td>
<td>4.0</td>
</tr>
</tbody>
</table>

\(^1\) Excl. Spectrum  \(^2\) Before dividend payments and spectrum invest, in 2020 also before Payer Swap & Zero Bond  \(^3\) SF cash, asset sales, interest, taxes, working capital
Ex US EBITDA growth massively supported by digitalization efforts

<table>
<thead>
<tr>
<th>Digi KPIs</th>
<th>2020</th>
<th>2024e</th>
</tr>
</thead>
<tbody>
<tr>
<td>App penetration</td>
<td>56% / 62%</td>
<td>73% / 80%</td>
</tr>
<tr>
<td>eSales share (all channels)(^1)</td>
<td>24% / 13%</td>
<td>30%</td>
</tr>
<tr>
<td>Share of calls shifted to digital</td>
<td>30%</td>
<td>&gt; 40%</td>
</tr>
<tr>
<td>Non-sales contacts</td>
<td>baseline</td>
<td>-40%</td>
</tr>
<tr>
<td>Share of chat interactions</td>
<td>12%</td>
<td>-25%</td>
</tr>
<tr>
<td>First time right in provisioning</td>
<td>92% / 92%</td>
<td>≥ 95% / ≥ 95%</td>
</tr>
<tr>
<td>First time right in fault repair</td>
<td>53.7%</td>
<td>≥ 55%</td>
</tr>
<tr>
<td>Reactive truck rolls (per 100 customers)</td>
<td>34</td>
<td>&lt; 29</td>
</tr>
<tr>
<td>Share of cloudified workloads (in core NW)</td>
<td>9% / 7%</td>
<td>67% / 42%</td>
</tr>
<tr>
<td>Time-to-market (months)</td>
<td>3.5 / 1.7</td>
<td>2.0 / 1.0</td>
</tr>
<tr>
<td>Releases (per month)</td>
<td>≈700 / 190</td>
<td>≈1,200 / 500</td>
</tr>
<tr>
<td>Share of digital experts</td>
<td>13%</td>
<td>17%</td>
</tr>
</tbody>
</table>

\(^1\) Includes Fixed line and Mobile postpaid

EBITDA AL impact: > €300 mn
EBITDA growth supported by €1.2 bn adj. IDC AL net savings

- **Germany/GHS**: ≈€0.7 bn
- **Europe**: ≈€0.3 bn
- **T-Systems**: ≈€0.2 bn

2020–2024e adj. indirect cost AL ex US

<table>
<thead>
<tr>
<th>Year</th>
<th>€ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>17.5</td>
</tr>
<tr>
<td>2024e</td>
<td>16.3</td>
</tr>
</tbody>
</table>

-€1.2 bn/-7%
Cost reductions from multiple levers

Incremental adj. indirect cost AL savings ex US (2020–2024e)

€ bn

- Real estate: 0.1–0.2
- IT: 0.1–0.2
- Procurement: 0.1–0.2
- Lean & agile structure: 0.5–0.6
- Other efficiencies: 0.1–0.2
- Total: 1.2

- Rightsizing office space
- New optimization opportunities
- Value-chain digitalization
- Cloudification & automation
- Leveraging scale through BuyIn
- Smart sourcing & spend analytics supported by AI
- Future oriented skill management
- Transformation towards softwarized telco & full automation of operational tasks
- Energy optimization
- Discretionary spend (travel, consulting)
Financial strategy remains intact

Equity
- Dividend: Evolved
  Dividend policy based on adj. EPS payout ratio
- Share buybacks: To be taken into consideration

Reliable shareholder remuneration policy

Leading European Telco: ROCE > WACC

**GROW**
- Lead in customer experience
  - One connectivity & perfect service
- Lead in technology
  - Integrated gigabit networks
- Lead in business productivity
  - Secure ICT solutions & big IoT

Save for growth investments

Simplify, digitalize, accelerate & act responsibly

Debt
- Net debt/Adj. EBITDA: 2.25x–2.75x
- Equity ratio: 25–35%
- Liquidity reserve: Covers maturities of next 24 months

Undisputed access to debt capital markets
Dividend policy further evolved towards adj. EPS payout ratio

Dividend

- Dividend reflects growth in adjusted EPS\(^1\)
- Floor at €0.50/share\(^2\)

CMD 2018

- Dividend remains based on adjusted EPS
- Payout ratio of 40–60%
- Floor at €0.60/share

CMD 2021

---

\(^1\) Adjusted earnings per share 2019 as starting point
\(^2\) Changed in Q3 2019 to €0.60/share
TMUS buybacks and securing US majority will postpone our return into the comfort zone until end of 2024

Leverage policy remains unchanged: 2.25x–2.75x
Well balanced maturity profile with strong liquidity reserve

### DT (ex US) bonds maturing

<table>
<thead>
<tr>
<th>Year</th>
<th>€ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>3.7</td>
</tr>
<tr>
<td>2022</td>
<td>4.2</td>
</tr>
<tr>
<td>2023</td>
<td>3.2</td>
</tr>
<tr>
<td>2024</td>
<td>3.2</td>
</tr>
<tr>
<td>Total</td>
<td>Ø 3.6</td>
</tr>
</tbody>
</table>

### Ex US liquidity position

<table>
<thead>
<tr>
<th>Category</th>
<th>€ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity reserve Q4 2020</td>
<td>≈17</td>
</tr>
<tr>
<td>Maturities 2021</td>
<td>3.7</td>
</tr>
<tr>
<td>Maturities 2022</td>
<td>4.2</td>
</tr>
<tr>
<td>Total maturities next 24 months</td>
<td>7.9</td>
</tr>
</tbody>
</table>

- Additional $4.75 bn of outstanding TMUS shareholder loans (repaid by 2028 at the latest)
- Well balanced maturity profile will carry on beyond 2024
- Strong liquidity reserve with ≈€14–15 bn in the next years
ESG: Our contribution from Finance

Sustainable Finance Approach

- ESG will have a stronger impact on our procurement decisions (Sustainable procurement strategy)

- Option of sustainability-linked bonds has become part of our bond framework

- Highly transparent corporate responsibility reporting and impact measurement

- First steps in the implementation of TCFD and SASB standards

- DT Pension fund and DT trust geared towards ESG investing

Risk Rating 16.8 (Low ESG risk), Telco sector #8 (out of 212)

Score 89% (#1 = 91%), Telco sector #5 (out of 78)

Score B, Sector #3 (DT Group)

Reporting Rate 98%, Telco sector #3 (out of 40)

Climate “A” list (A = top 7%), Supplier “A” list (A = top 7%)

---

1 Data as per May 14th, 2021
Financial strategy remains attractive and reliable

**Equity**
- Dividend remains based on adjusted EPS
- Payout ratio of 40–60%
- Floor at €0.60/share
- Rating corridor remains unchanged: 2.25x–2.75x
- Rating bands remains unchanged: A- to BBB
- Back in comfort zone by end of 2024
- Liquidity: Covers maturities of next 24 months

**Debt**
- DT target
- TMUS share buyback
- Up to $60 bn buybacks 2023–2025
- $18 bn + FCF in 2026e

**Group 2024e**
- FCF AL > €18 bn
- Adj. EPS > €1.75
- ROCE > 6.5%
- TMUS
- Up to $60 bn buybacks 2023–2025
- $18 bn + FCF in 2026e
- TMUS share buyback
- Up to $60 bn buybacks 2023–2025
- $18 bn + FCF in 2026e

**TMUS**
- Up to $60 bn buybacks 2023–2025
- $18 bn + FCF in 2026e
Midterm ambition level
## Midterm ambition level

<table>
<thead>
<tr>
<th>Metric</th>
<th>Midterm ambition level</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>Group: CAGR +1–2%</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>Total service revenues</td>
<td>Group: CAGR +3–4%</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>Adj. EBITDA AL</td>
<td>Group: CAGR +3–5%</td>
<td>2020–2024e</td>
</tr>
<tr>
<td></td>
<td>Ex US: CAGR +2–3%</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>Adj. Core EBITDA AL</td>
<td>Group: CAGR +5–6%</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>FCF AL</td>
<td>Group: &gt; €18 bn</td>
<td>2024e</td>
</tr>
<tr>
<td></td>
<td>Ex US: €4 bn</td>
<td>2024e</td>
</tr>
<tr>
<td>Adj. EPS</td>
<td>&gt; €1.75</td>
<td>2024e</td>
</tr>
<tr>
<td>ROCE</td>
<td>&gt; 6.5%</td>
<td>2024e</td>
</tr>
<tr>
<td>Cash Capex</td>
<td>Ex US: ≈€8.2 bn</td>
<td>2024e</td>
</tr>
<tr>
<td>Adj. indirect cost AL</td>
<td>Ex US: -€1.2 bn (net savings)</td>
<td>2020–2024e</td>
</tr>
<tr>
<td>Shareholder remuneration policy</td>
<td>Adj. EPS payout ratio 40–60%, Floor €60 c</td>
<td>2021–2024e</td>
</tr>
</tbody>
</table>

1 Based on constant exchange rates (average exchange rate 2020 of €1 = US$1.14) and no further changes in the scope of consolidation  
2 Subject to necessary AGM approval and Board resolution