

– Check against delivery –

**Press conference on the financial statements
for the 2023 financial year
February 23, 2024**

**Timotheus Höttges
Chief Executive Officer
Deutsche Telekom AG**

Thank you, Philipp!

From me, too, good morning everyone.

Ten years ago, I held my first press conference on the financial results as CEO of Deutsche Telekom. I have dug out my speech from back then. The situation then was very different to today:

In terms of earnings, our adjusted EBITDA at that point had declined by 3.1 percent year-on-year. Free cash flow was down by as much as 26.2 percent. Our market capitalization in early 2014 ranked third in Europe, behind Vodafone and Telefónica. Any movement on the market was sluggish at best.

As was Deutsche Telekom, to be honest. We had a serious image problem. People called us either a “bureaucratic relic” or a “money pit for retail investors”. Our share price stood at 12.43 euros. Or “was stuck”, as some said. Our service was bad and the talking point at every party. Much like the Deutsche Bahn delays today.

My team and I started back then with the goal of turning all of this around. We wanted to make our employees proud again to be part of Deutsche Telekom.

And our shareholders to believe again: My money is well invested at Deutsche Telekom. I get a reliable return on my investments here. Things are moving in the right direction – also in terms of customer service.

My goal back then was to have people in Germany say: Why can't everyone be as good at service as Deutsche Telekom? I have been pursuing that goal to this day.

We knew then that it would be a long, uphill journey and we are still keeping that in mind.

Ladies and Gentlemen,

In 2014, we strategically realigned Deutsche Telekom. Our new strategy at the time was to become the “Leading European Telco”. That was based on specific criteria: best network, best service, best products, and preferred provider for business customers. It was an ambitious goal, and people’s skepticism at the press conference was clear to see.

Ladies and Gentlemen,

Today, ten years later, Deutsche Telekom is transformed as a company. To give you a couple of the latest figures:

- We are the number one in Europe. Leading in nine out of ten markets. Among both consumers and business customers. We are the “Leading European Telco”.
- We did this by investing more than 170 billion euros over ten years. In our networks, in new technologies, and in mobile spectrum.
- We have massively improved our service: from around 4.5 million customer complaints per year back then, to around 300,000 at the last count.

- And it is paying off. Customers are coming to us. Our customer relationships worldwide currently number some 300 million. People who actively choose Deutsche Telekom. That is an increase of more than half within ten years.
- We have been the growth champion in the United States for several years now. And we hold the majority stake in the most successful telco on the most important mobile communications market worldwide.
- Today, we are in the top ten most valuable brands globally.
- We have doubled our market capitalization to 110 billion euros.
- Our share price has risen from 12.43 euros to its current value of over 22 euros. On top of this, we have paid out a dividend every year. 50 eurocents back then, while today we are planning to pay out 77 eurocents. Our shareholders have participated in our success: Shareholder return through our share price performance and reinvested dividends is more than 150 percent over this ten-year period – well above the DAX in the same time frame.

The feedback we are getting is positive. Nowadays, we are more modern, digital, and diverse. Our shareholders are seeing good returns. And many Deutsche Telekom employees now wear Magenta loud and proud.

A lot of different factors have contributed to this. One crucial aspect is certainly our reliability. We keep our promises. And we never lose sight of our goals.

Our next big goal is to become the leading digital telco – we are again fully focused and deeply committed to this.

Ladies and Gentlemen,

Financial success and growth are essential prerequisites for achieving this goal. We need a solid foundation in place to underpin future investments in innovations and

infrastructure. It helps a great deal when our financial statements are as good as in the year just ended. Because 2023 was another record year for Deutsche Telekom.

We continued our growth course on both sides of the Atlantic. The figures reflect this. In organic terms, adjusted EBITDA AL grew 4 percent year-on-year, and the even more important adjusted core EBITDA AL by 6.9 percent.

A development to which all segments contributed. In Germany, we have increased earnings for 29 consecutive quarters, and for 24 consecutive quarters in Europe.

We achieved our target for adjusted EBITDA AL of 41.1 billion euros, after revising our guidance upwards three times over the course of the year. Free cash flow AL increased by 40.7 percent, exceeding our expectations.

We reduced net debt year-on-year by around 10 billion euros, or 10 percent.

Ladies and Gentlemen,

We want our shareholders to participate in these successes. Subject to approval by the relevant bodies and the shareholders' meeting, we intend to increase the dividend for 2023 to 0.77 eurocents per share. And we have also launched a share buyback program of up to two billion euros in 2024.

We thus continue to cultivate those qualities which have become distinguishing features of Deutsche Telekom over the last years:

- We act consistently. Take our investments, for example. Over the years, we have continually and sustainably invested in our networks and our customer service.
- We act reliably. We set ourselves ambitious goals. We communicate these goals to give our shareholders orientation and to hold ourselves accountable. And if we occasionally fail to achieve a goal, we are open and honest about the reasons why.

- We invest and act for growth: in our customer numbers, in our revenue and earnings – and have laid the foundation on which our shareholder value can continue to grow.

It is paying off: More and more people worldwide trust in Deutsche Telekom and its products. In the United States, our subsidiary T-Mobile US has been delivering industry-leading customer growth for several years. Ahead of long-time incumbents Verizon and AT&T. Across the entire year, we won around 5.7 million new customers for a mobile communications contract with our U.S. subsidiary.

T-Mobile US remains the number one for customer growth on the most important mobile communications market globally. More than 300 million people can access T-Mobile US' ultra-fast 5G network, the country's best mobile infrastructure. The most important foundation for future growth is therefore in place.

Since 2023, we have held the majority stake in this industry-leading network, with more than 50 percent of the shares at the year-end. We also have strategically expanded our ownership position in T-Mobile US by way of a capital increase from the agreement we reached with Softbank in 2021.

With the integration of Sprint now complete, we are seeing strong growth in earnings and free cash flow at our T-Mobile US. Exactly as we predicted. Some more related figures:

- Since 2019, the year before the business combination with Sprint, T-Mobile US has more than doubled its adjusted EBITDA through synergies and growth.
- Free cash flow has more than tripled.
- And T-Mobile has almost tripled its market cap since then.
- In effect, the value of our investment has more than doubled.

Since the fourth quarter of 2023, T-Mobile also has started paying a dividend. That is a great development.

The success in the United States aids our record-level investments in Germany and the European subsidiaries.

Ladies and Gentlemen,

On our home continent, we have been at the top of our industry for many years. We intend to further expand this leading position. By delighting more and more people with the best network experience. And offering them the best connectivity with high speeds and best-in-class service.

Our technicians and engineers brought us closer to this goal over the past year. We have now reached a pace with the build-out that we intend to maintain in the years to come.

Last year, we enabled access to a fiber-optic line for more than 2.5 million more households in Germany. By the end of 2023, the number of these homes passed has increased to 8 million. We will pass the 10 million mark in 2024.

Our 5G build-out, too, is industry-leading. At present, 96 percent of the population of Germany can access our 5G mobile network. And this network is ultra-fast: according to Chip magazine, the average speed in our 5G network is over 460 Mbit/s downstream. And around 80 Mbit/s upstream. This puts us ahead in Germany by a considerable margin. And is very respectable compared with the rest of Europe, too.

In the long term, nationwide coverage with the networks of the future is decisive for safeguarding Germany's future as a place to do business. The Federal Government has set itself the goal of ensuring that every household in Germany can have a line with gigabit speeds by 2030. Some to be provided by us, others by our competitors. We are sticking to our promise: Deutsche Telekom alone plans to offer FTTH to more than 25 million households by 2030.

In our European subsidiaries, too, there are clear signs of growth in optical fiber. In 2023, we facilitated more than one million additional FTTH lines here. 9.1 million households there are now able to access our fiber-optic network.

In Germany and our European subsidiaries combined, more than 600,000 new customers subscribed to a fixed-network line in 2023.

And we won around two million new mobile customers. That is an increase of over 250,000 against 2022.

MagentaTV also posted excellent growth with over 350,000 net adds. That is a year-on-year increase of over 100,000 net adds.

The bottom line is this: More and more people are delighted by our products and services. And we continue to refine and develop these further. In February, we launched the new MagentaTV in Germany. It is faster, simpler, clearer. The best TV product on the market. Which is exactly what our customers want.

Ladies and Gentlemen,

Our “T” is now one of the top 10 most valuable brands worldwide. We are the most valuable brand in Europe. The latest Brand Finance report values the “T” at 73.3 billion U.S. dollars. This success places Deutsche Telekom in an exclusive circle that includes global tech giants like Apple, Microsoft, and Google.

In this dynamic environment, it is all the more impressive that Deutsche Telekom is now considered the most valuable telecommunications brand worldwide. This result is not only a validation of our investments in the best networks and the best service. But also a validation of our commitment to digital technologies and the work of our people. Deutsche Telekom stands for the promise: “Connecting your world”.

Ladies and Gentlemen,

Clearly, much has changed for the better in the last few years. But one area remains stuck in the past: the framework conditions in Europe. These urgently need to change. A word of caution from me: We are falling behind, especially when it comes to a key topic of the future, AI. It is challenging our entire industry here in Europe.

We are also doing a great deal with overarching initiatives, such as the Global Telco AI Alliance for a telco-specific LLM as well as our AdTech company, Utiq, which we founded together with the other major telcos.

But when it comes to the structural problems inherent on the European telecommunications market, we also need initiatives coming from the policymakers. I will talk more about this on Monday morning at Mobile World Congress, where I will discuss the issue with the CEOs of Europe's four largest telcos.

In our keynote, Deutsche Telekom, Orange, Vodafone, and Telefonica intend to propose action to reinforce Europe's standing as a place to do business. We urgently need a digital single market.

Ladies and Gentlemen,

That last note might have put a little damper on things. But despite these issues, we at Deutsche Telekom are optimistic about the future. We are pursuing our transformation into the "Leading Digital Telco". We are investing. We are cooperating. We are focusing on what lies ahead. Staying reliable. And keeping our promises.

Thank you.