

The background of the slide is a vibrant, high-speed photograph of pink liquid splashing and creating intricate patterns of droplets and ripples. The overall color palette is a range of pink tones, from deep magenta to bright, almost white highlights where the liquid catches the light.

DEUTSCHE TELEKOM PRESS CONFERENCE FY 2019 RESULTS



LIFE IS FOR SHARING.

DISCLAIMER

This presentation contains forward-looking statements that reflect the current views of Deutsche Telekom management with respect to future events. These forward-looking statements include statements with regard to the expected development of revenue, earnings, profits from operations, depreciation and amortization, cash flows, and personnel-related measures. You should consider them with caution. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond Deutsche Telekom's control. Among the factors that might influence our ability to achieve

our objectives are the progress of our workforce reduction initiative and other cost-saving measures, and the impact of other significant strategic, labor, or business initiatives, including acquisitions, dispositions and business combinations, and our network upgrade and expansion initiatives. In addition, stronger than expected competition, technological change, legal proceedings, and regulatory developments, among other factors, may have a material adverse effect on our costs and revenue development. Further, the economic downturn in our markets, and changes in interest and currency exchange rates, may also have an impact on our business development and the availability of financing on favorable conditions. Changes to our expectations concerning future cash flows may lead to impairment write downs of assets carried at historical cost, which may materially affect our results at the group and operating segment levels. If these or other risks and uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, our actual performance may materially differ from the performance expressed or implied by forward-looking statements. We can offer no assurance that our estimates or expectations will be achieved. Without prejudice to existing obligations under capital market law, we do not assume any obligation to update forward-looking statements to take new information or future events into account or otherwise.

In addition to figures prepared in accordance with IFRS, Deutsche Telekom also presents alternative performance measures, including, among others, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA after leases, adjusted EBITDA margin, adjusted EBIT, adjusted net income, free cash flow, free cash flow after leases, gross debt, net debt after leases, and net debt. These alternative performance measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Alternative performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways.



2019 RESULTS AND CMD UPDATE: WE ARE DELIVERING

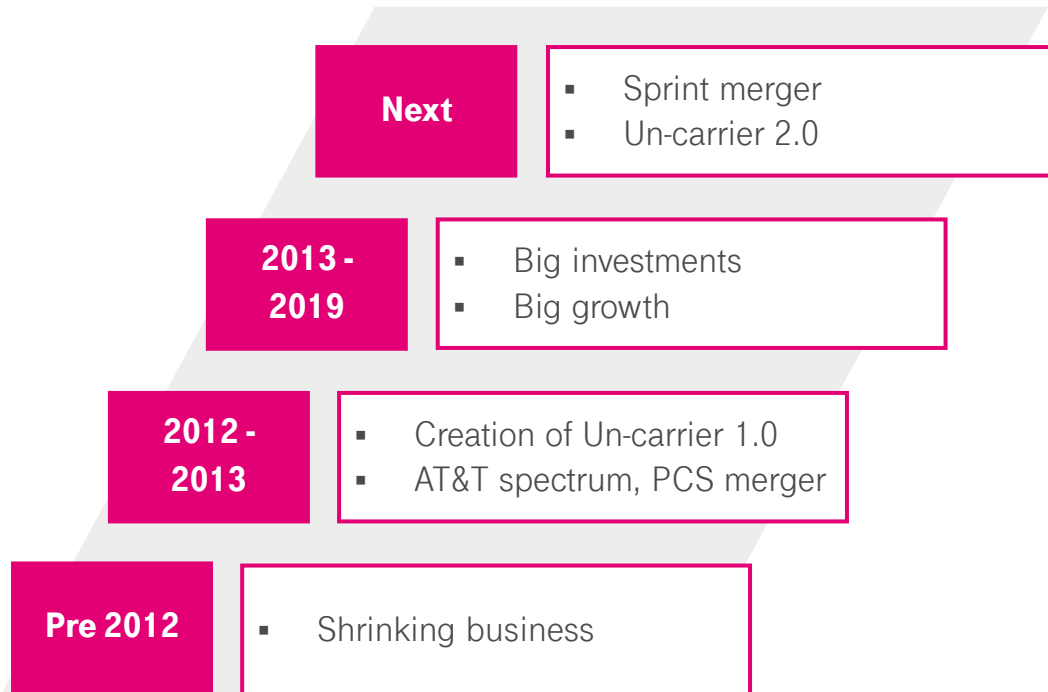


- US Deal: Positive ruling by New York District Court
- Two major multi-year German investment programs completed (B2C All-IP, FTTC)
- Accelerated 5G rollout in U.S. and Germany
- Substantial progress with efficiency and digitization
- Ongoing strong customer growth in all geographies
- Financials tracking above 2018 CMD guidance
- DT ex US in second year of EBITDA growth, all segments contribute
- YE 2019 debt ratios back in stated comfort zone

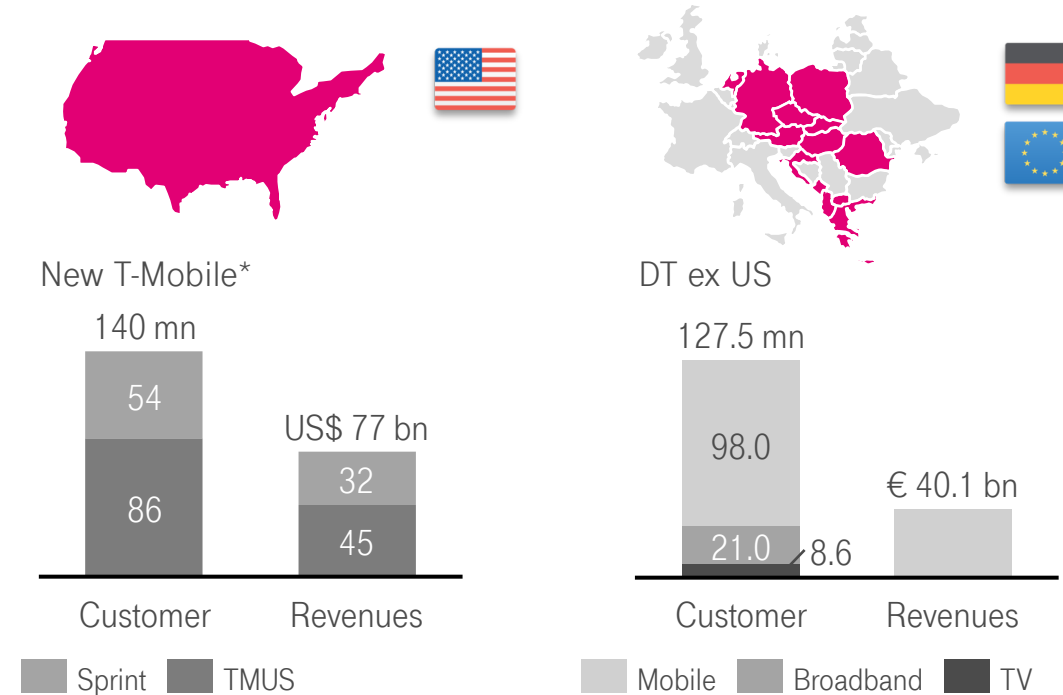


US DEAL: LEADING ON BOTH SIDES OF THE ATLANTIC

Creating value for customers & shareholders



Strong presence in US and Europe

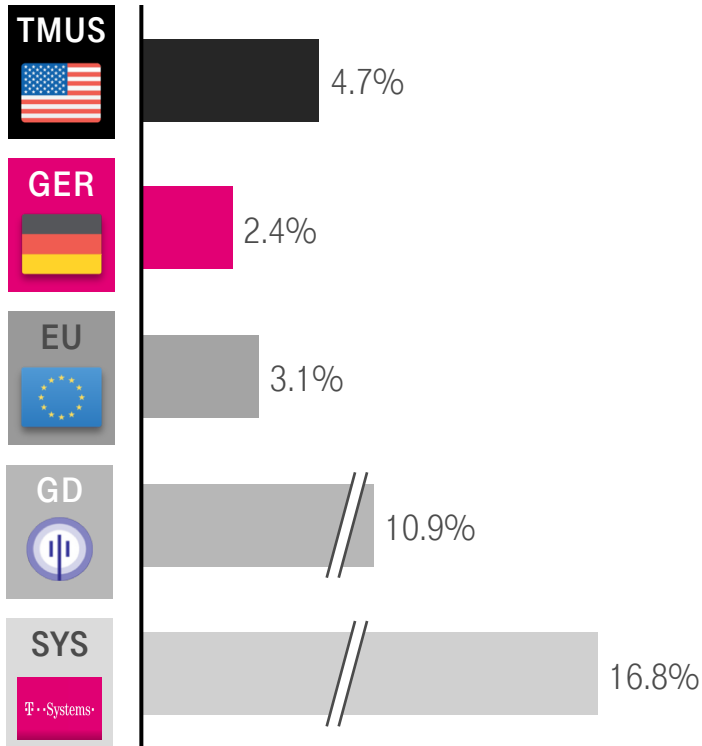


* Pro forma LTM.

2019 FINANCIALS: STRONG GROWTH ACROSS THE BOARD

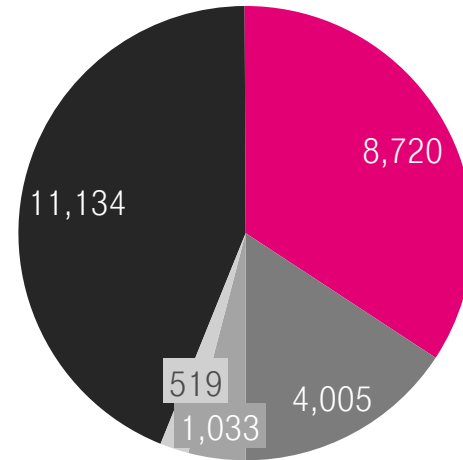


Adj. EBITDA AL (organic growth)



Adj. EBITDA AL

€ mn



FY growth

| | |
|---------------------------|--------|
| Revenue | +6.4% |
| Adj. EBITDA AL | +7.2% |
| Adj. EBITDA AL (excl. US) | +4.7% |
| Adj. net profit | +8.9% |
| Net profit | +78.5% |
| Adj. EPS (in €) | +8.3% |
| Free cash flow AL | +15.9% |
| Cash capex | +7.3% |
| Net debt AL | +6.4% |



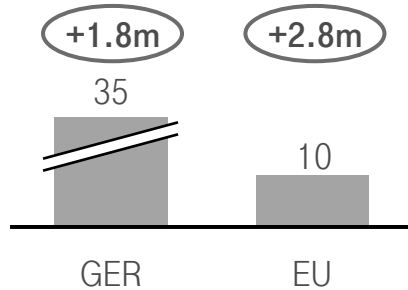
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INVESTMENTS: BIG MILESTONES ACHIEVED



Fiber coverage

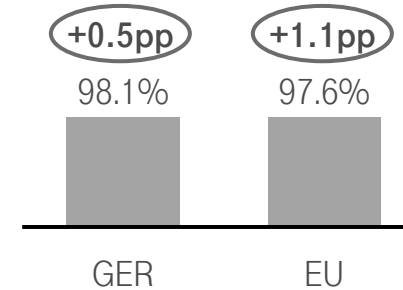
HH mn



- GER: committed FTTC build done
- GER: supervectoring 28mn lines¹ with up to 250Mbit/s
- EU: full fiber 3.3mn HH

LTE outdoor pop coverage

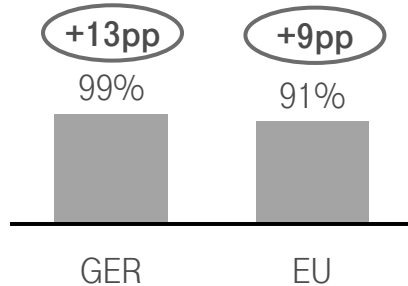
%



- GER: 1,400 additional sites
- GER/EU: network leadership in footprint

All-IP

lines



- German B2C rollout completed
- German B2B on track for YE2020
- EU: 6 countries fully migrated

Innovations

- 5G
 - GER: 450 5G antennas
 - Launch Cloud Gaming/Campus Solutions
 - US: launch nationwide low-band
- Digitization across the value chain
- Launch Smart Speaker

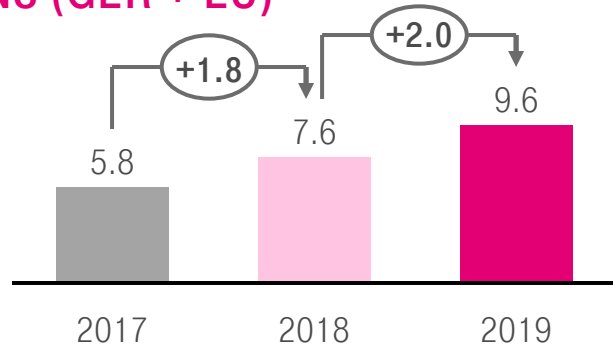
1) Households and business locations.

CUSTOMERS: GROWTH REMAINS STRONG



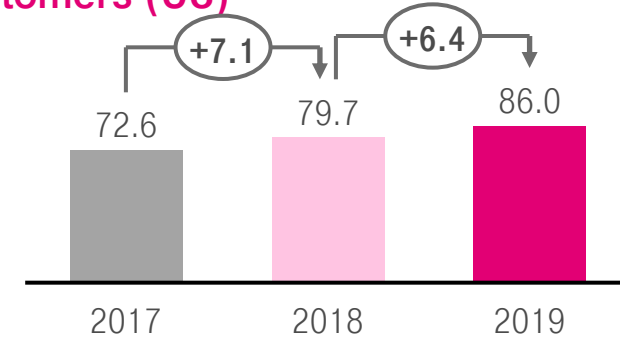
MagentaEINS (GER + EU)

mn



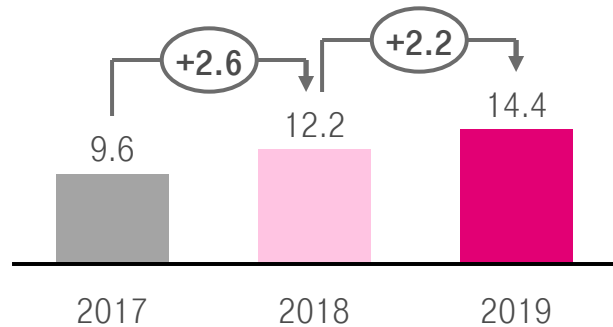
Mobile customers (US)¹

mn



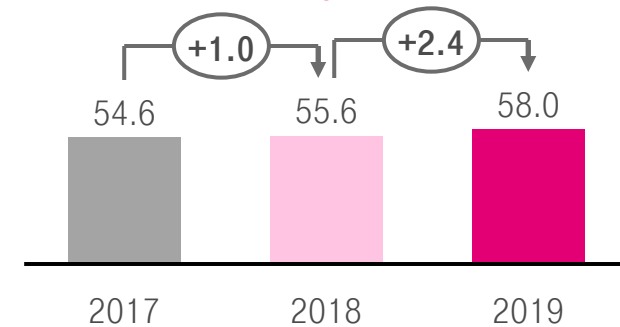
Fiber (GER)

mn



Mobile contract customers (GER + EU + NL)²

mn



1) Base adjustment branded prepaid customers in Q3/19. 2) Change in base. Figures not adj. for acquisition or disposals. Germany: own branded contract customers excl. multi-brand.



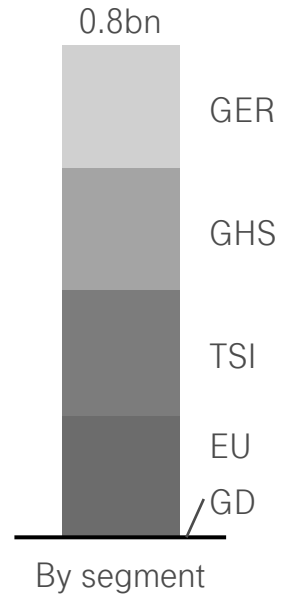
INDIRECT COSTS: ON TRACK FOR CMD TARGET



Organic savings ex US 2017 - 2019

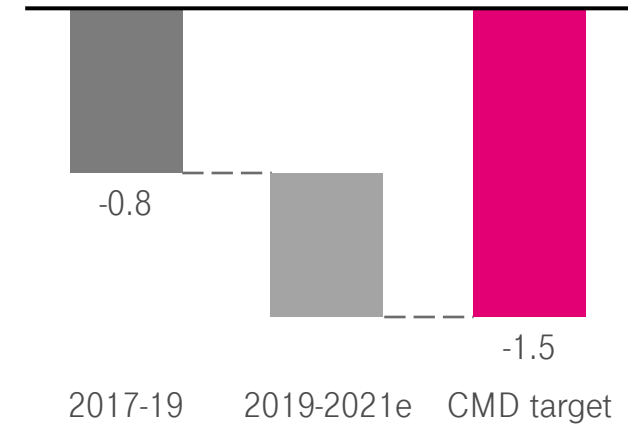
€ bn

- 4% of indirect costs saved
- Savings driven by greater agility and digitization
- Personnel productivity +6%



Organic savings ex US 2017 - 2021

€ bn



DIGITAL: BECOMING PART OF THE DNA



DT Strategic direction & rationale

Marketing & sales

Push **online channels** & **personalized offerings** to drive X/upsell & reduce 3rd party costs



Customer service

Drive **customer self-service** (app, chat) & **360° customer view** to reduce inbound calls & increase efficiency



Network & IT

Increase bang for the buck w/ **value-based network planning** & rollout; **transform IT** for lower time to market










Steering & support




Push **employee self-service** and automate **repetitive tasks** (e.g. planning) for higher precision & lower cost






Proof points¹

-  ~30% MMA² penetration
-  6m transactions in Business Service Portal
-  ~55% app penetration
-  TMNL: 34%/15% eSales share (B2C/ B2B)

-  2m customer interactions w/digital service assistant
-  2,800 bots live, € 90m net savings p.a.
-  TSI: 1 customer interface w/ ServiceNow

-  75% planning time reduction per fiber HH w/FTTH factory (2020 est.)
-  IT trafo: ~150 HAL³ APIs & ~50 DPS⁴ live
-  TelIT: 65% agile delivery (2020 est.)

-  30k users of Employee Service App
-  TMNL: 2,200 hours returned to business w/ RPA⁵
-  HT: AI-based TWC⁶ planning pilot

1) Actuals 2019 unless otherwise indicated. 2) MeinMagenta app. 3) Harmonized application layer. 4) Digital platform service. 5) Robotic process automation. 6) Total workforce cost.



CAPITAL UTILIZATION: SHARING, SMARTLY



Mobile

Germany

- White spot sharing of all German MNOs (~6,000 sites)
- Grey spot sharing with Vodafone (~4,000 sites)
- Extensive tower sharing (2.3x co-location ratio)



Europe

- Long-standing network sharing in most countries (e.g., CZ, PL, RO)
- Various tower sharing agreements (e.g., Austria)
- Market consolidation (e.g., NL)

Fixed

- Collaborations (e.g., EWE - Tel)
- Wholebuy/resale (e.g., Net Cologne, DGF)

- Multiple wholebuy/resale agreements (e.g., PL, CZ)
- Market consolidation (e.g., Austria)



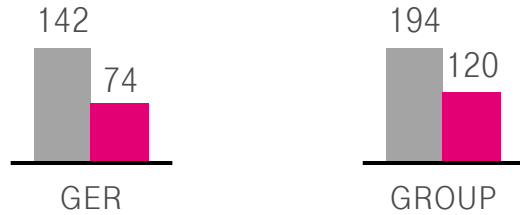
LIFE IS FOR SHARING.

ESG: BEING SUSTAINABLE



Energy intensity¹

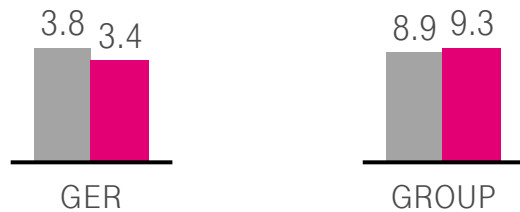
kWh/TB



- More efficient technologies

Energy consumption

mn MWh



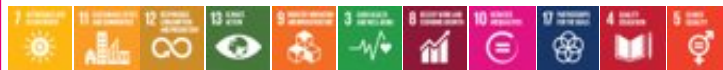
- Benefits from AI-IP migration in GER

DT's climate strategy

- 100% renewables from 2021
- 90% less CO₂e² by 2030
- 25% lower value chain emissions per customer by 2030
- Targets certified by SBTi³

Further ESG measures (examples)

- >80% of procurement volume reviewed according to ESG criteria
- Multiple initiatives on responsible digitization, data privacy & security, digital literacy



Share of renewable energy

%



- Significant EBITDA investment

Success in ESG ratings



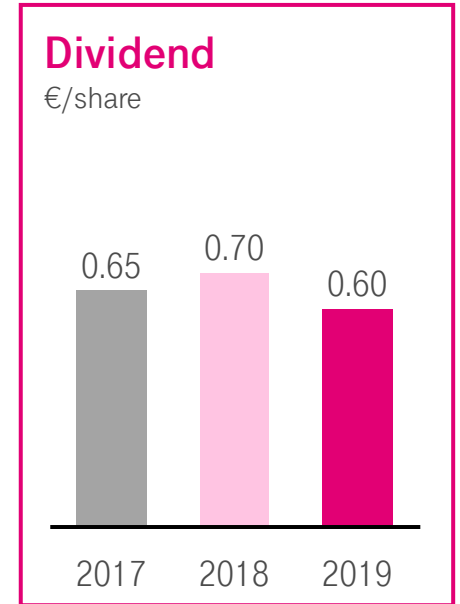
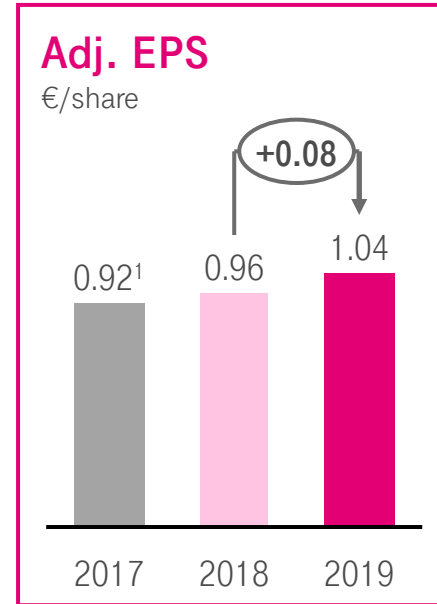
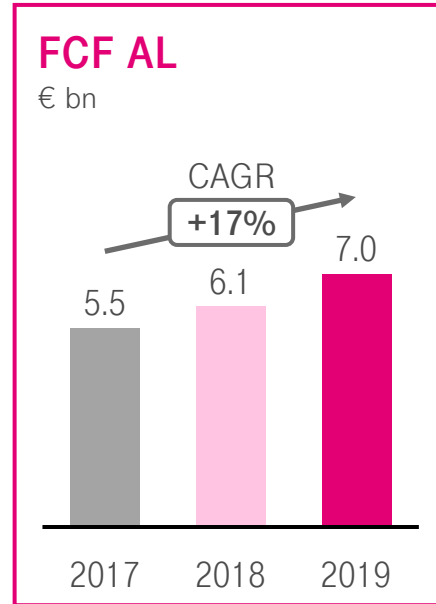
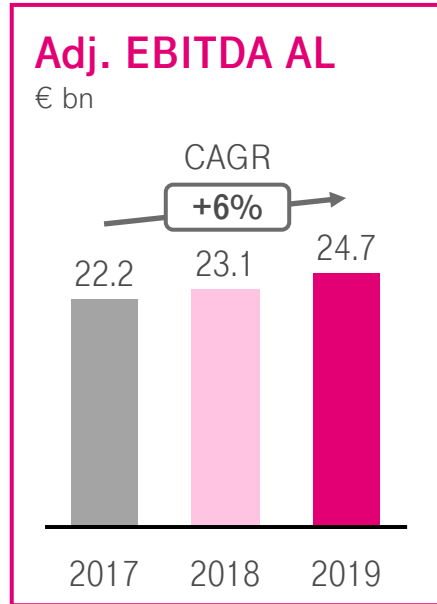
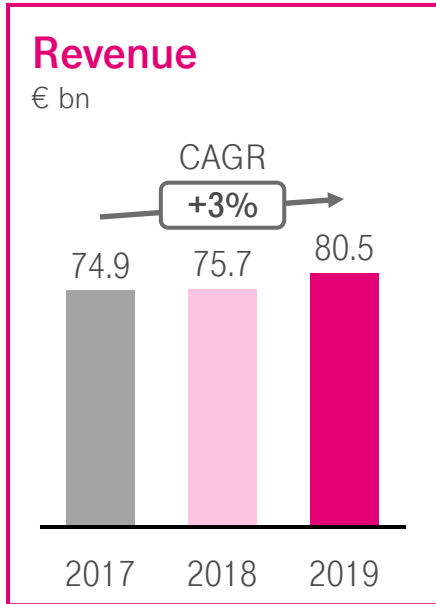
1) Excluding international T-Systems units.

2) Scope 1+2.

3) Science-based targets initiative.

2017 2019

CMD TARGETS: FINANCIALS GROWING FASTER



CMD promises (2017 – 2021 CAGR)

+1 – 2%

+2 – 4%

+~10%

≈+€ 0.2 2018 – 2021

Follows EPS growth

All CAGRs are organic CAGRs (mixed CAGRs); EBITDA/FCF pre IFRS 16 used for 2018 vs. 2017.

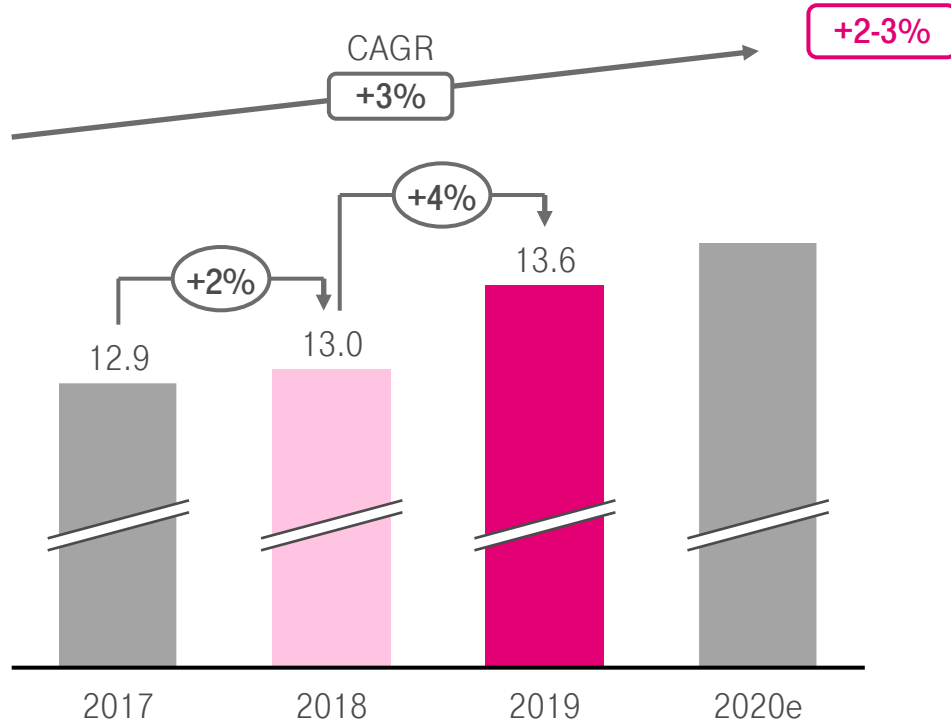
1) Adjusted for € 0.36/share US tax gain. EBITDA and FCF for 2017 on pre IFRS 16 basis.

EX US CMD TARGETS: ALL SEGMENTS DELIVERING



Ex US adj. EBITDA AL

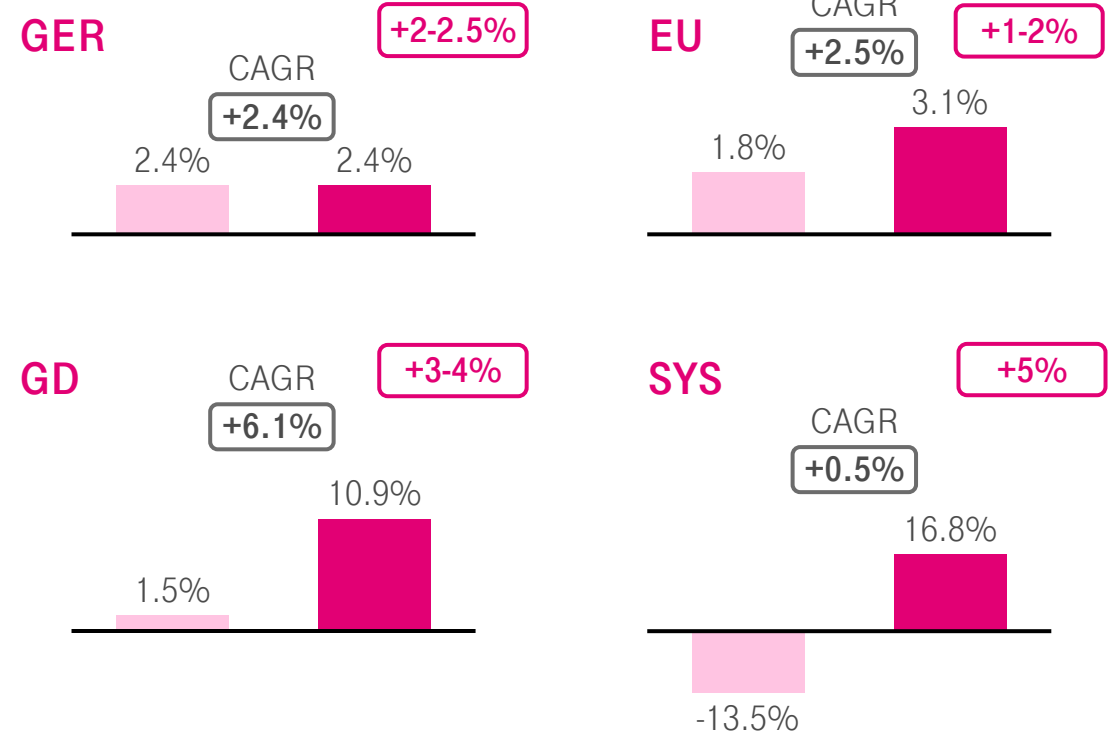
€ bn



All CAGRs are organic CAGRs (mixed CAGRs); EBITDA/FCF pre IFRS 16 used for 2018 vs. 2017.

Adj. EBITDA AL growth yoy

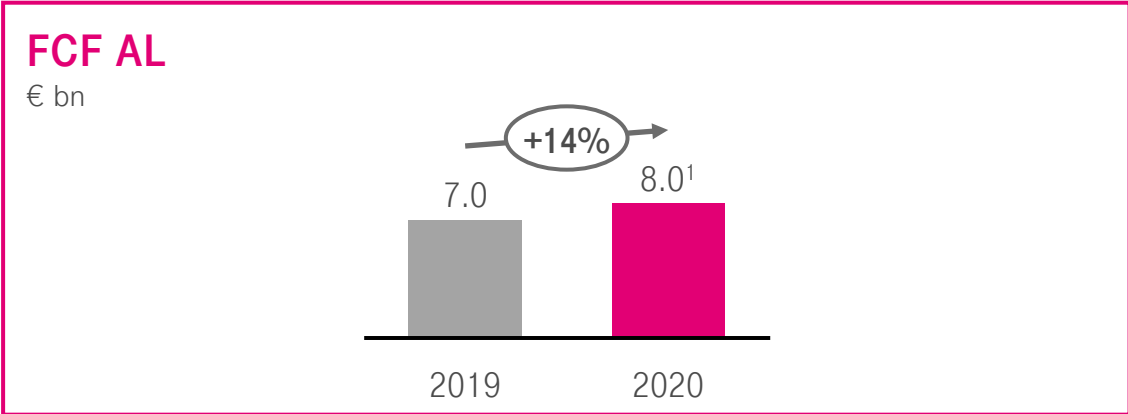
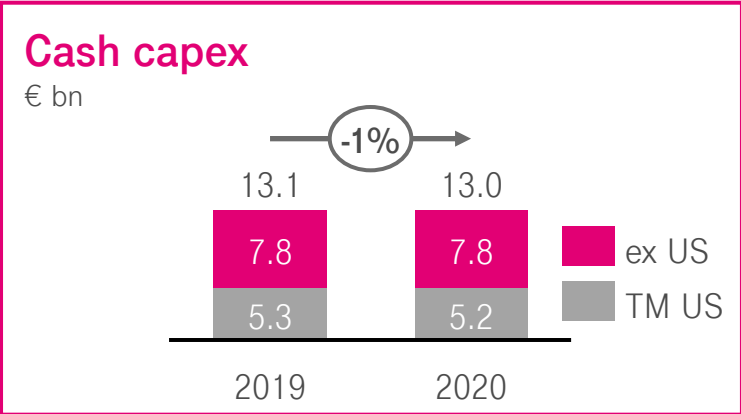
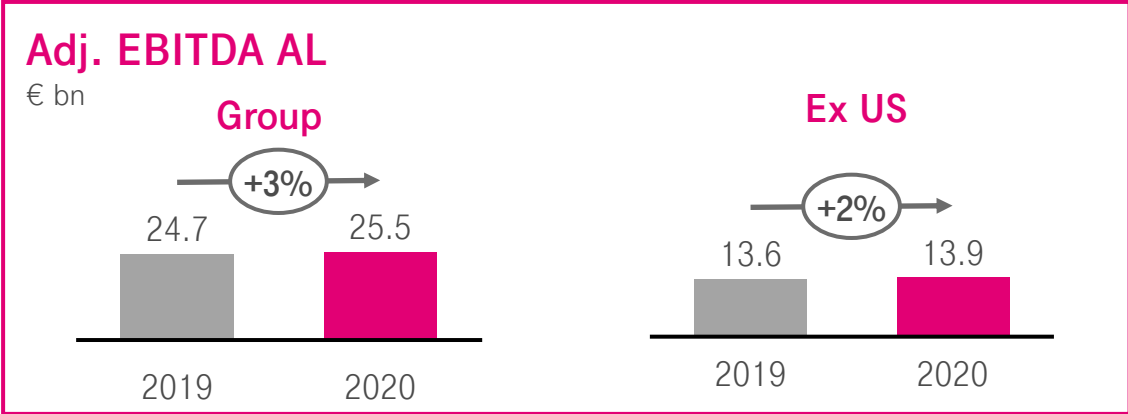
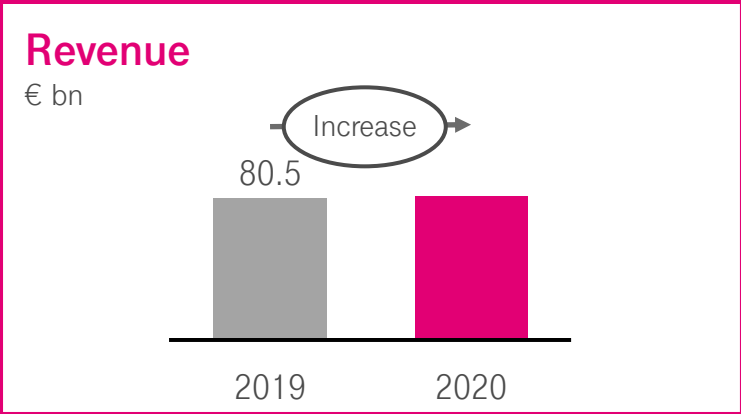
%



Legend: [Pink box] = CMD guidance 2017 - 2021

Legend: [Light pink box] 2018 [Dark pink box] 2019

2020 GUIDANCE: MAINTAINING MOMENTUM



Based on € 1 = US\$ 1.12

TMUS EBITDA at midpoint of US\$ US GAAP guidance of US\$ 13.85bn

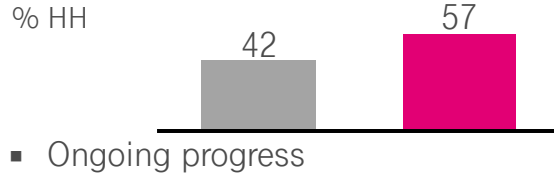
Including the US GAAP IFRS bridge of US\$ 0.85bn this equals € 11.6bn.

1) Before cash outs for zero bond and TMUS forward swap.

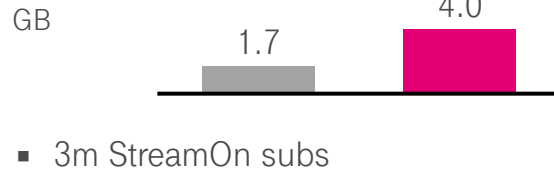
GERMANY: GROWING FUTURE BUSINESS



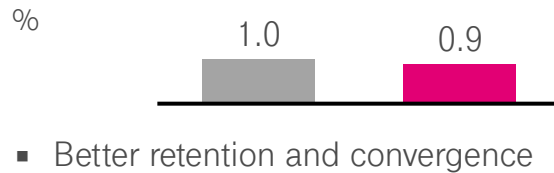
M1share (mobile)¹



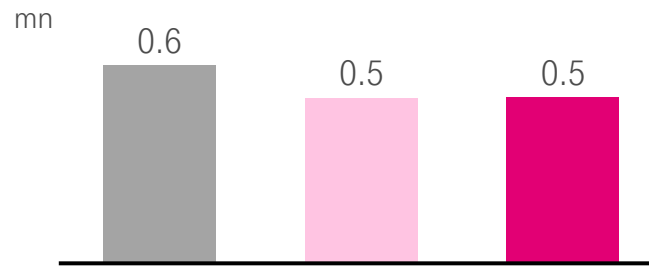
Data usage²



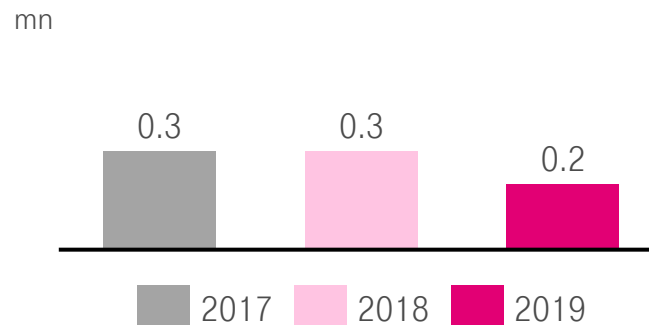
Mobile churn³



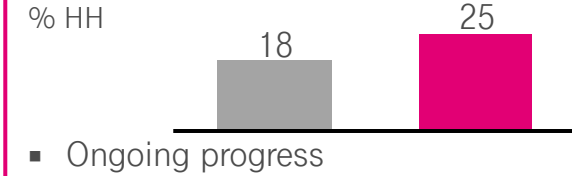
Contract net adds⁴



Broadband net adds



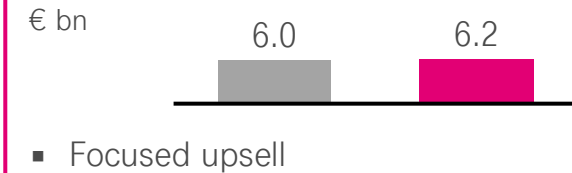
M1share (fixed)⁵



TV subs



B2B revenues



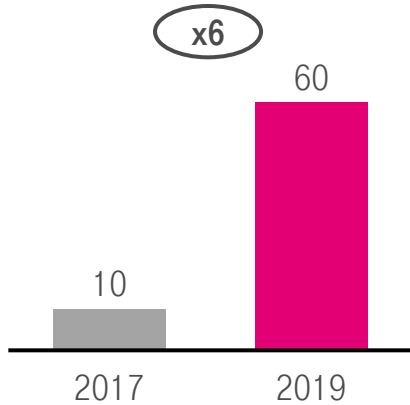
1) As % of B2C T-branded contract customers. 2) Per month of B2C T-branded contract customers. 3) Contract excl. Lebara. 4) Of own branded retail customers excl. multibrand. 5) As % of B2C broadband access lines.

GERMANY: IMPROVED AGILITY AS ENABLER



Flexible delivery

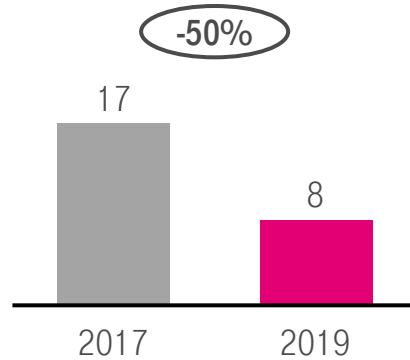
% of software delivered in agile mode



Improved release frequency & quality

IT time-to-market

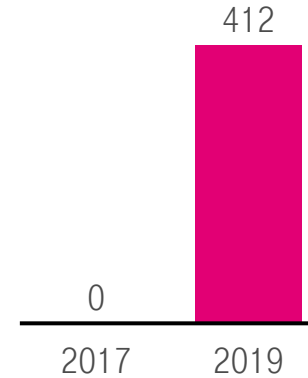
Months



Improved IT delivery speed

Reskilling

of reskilled FTE



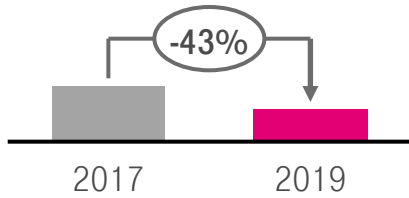
Broad IT reskilling initiatives (e.g., academies for DevOps, Scrum Master, Design Thinking)

- Big reduction in B2B tariff complexity
- New FTTH OSS developed in agile mode in record time
- Improved employee satisfaction

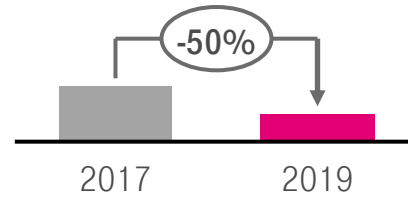
GERMANY: SIGNIFICANT PROCESS IMPROVEMENTS



Waiting times

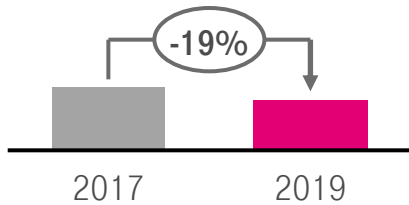


Complaints

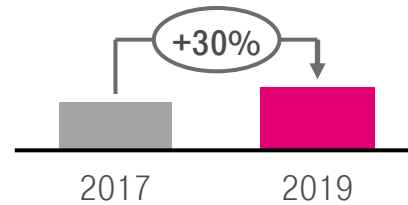


- Improved customer satisfaction
- Won all major service tests
- Process redesign
- Cost reduction

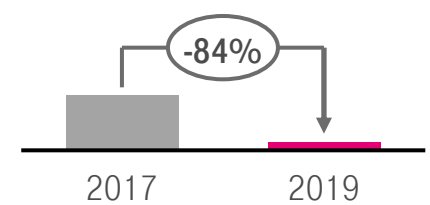
Faults repairs



First-time resolution



Missed appointments



GERMANY: RESILIENT MOBILE NETWORK LEADERSHIP



LTE coverage

- 98% pop coverage
- 88% area coverage

Fiber backhaul

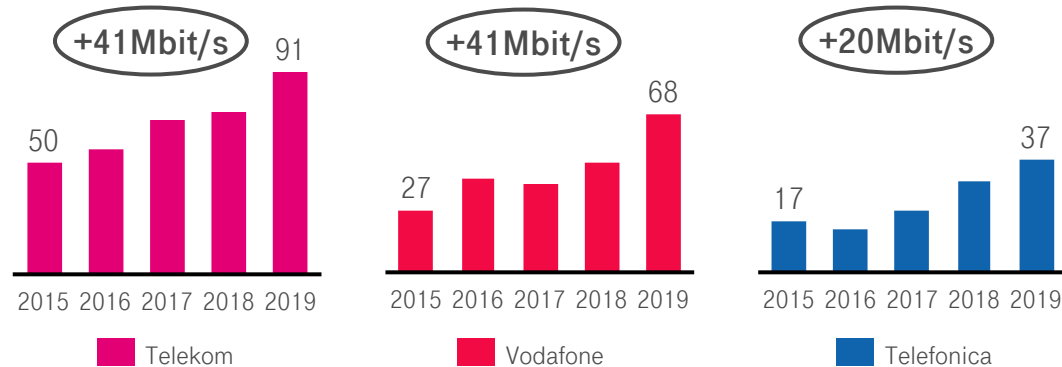
- ~80% of sites

Technology

- 4x4 MIMO
- Carrier aggregation
- Single RAN

Average mobile data speed¹

Large cities



Average speed to double by 2021

Spectrum

- +110 MHz from 2019 auction (+20 MHz in 2.1 GHz)

Site expansion

- +1.4k new sites in 2019
- +10k 2019-24 target

5G

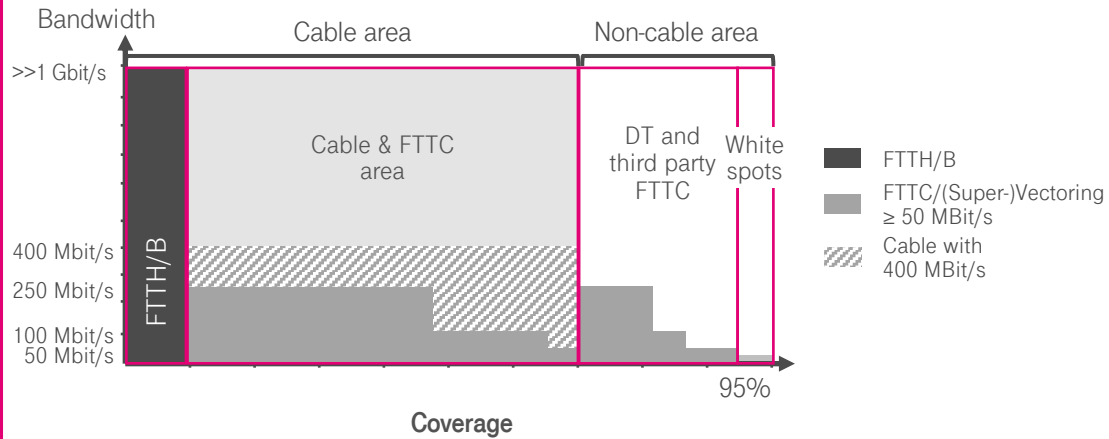
- RAN 80% 5G ready
- 450 antennas YE19
- All major cities YE20

1) Umlaut/P3.

GERMANY: FTTC ALREADY PROVIDING HIGHSPEED



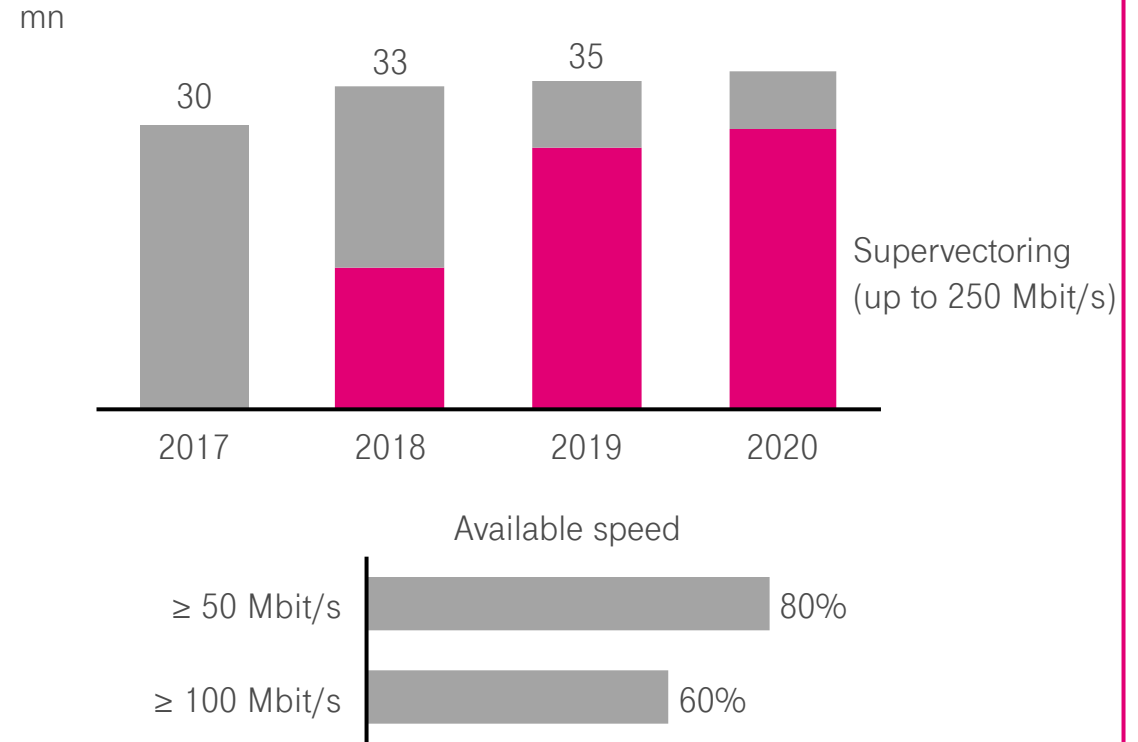
German broadband coverage end 2019



- Only ~5% “white-spots”¹ end of 2019
- Fiber resale agreements with several partners for > 2m homes
- FTTC build largely completed

1) Refers to < 50 Mbit/s.

Homes passed by fiber

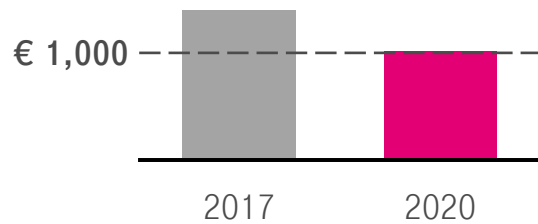


GERMANY: FROM FTTC TO FTTH



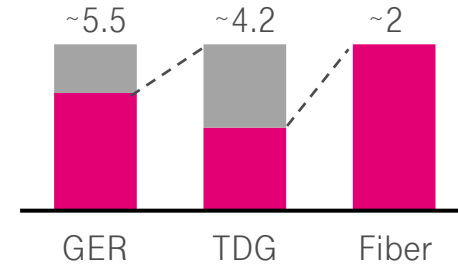
FTTH factory

- Cost per home passed



Cash Capex

€ bn

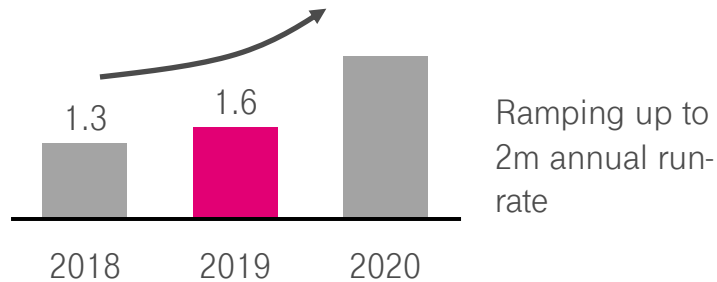


Subsidized build

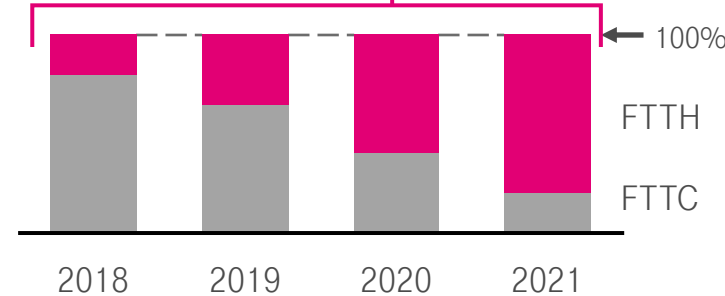
- Stuttgart area (partly)
 - Successfully under way
 - ~100K homes passed YE20
- E.g., Mecklenburg-Vorpommern
 - Successfully under way
 - 40k homes passed by YE21

FTTH/B homes passed

mn total



Fiber capex



Cooperations

- EWE-Tel JV
 - Approvals received; launch imminent
 - Target 300k homes in 3yrs
 - 10yr target > 1.5m homes passed



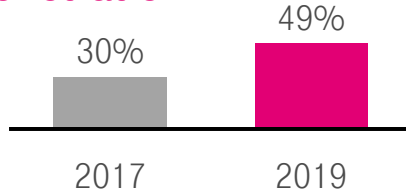
LIFE IS FOR SHARING.

EU: SUCCESSFUL STRATEGY IMPLEMENTATION



FMC penetration¹

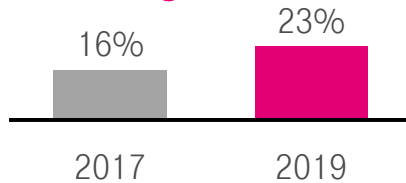
% HH



Mobile network leadership

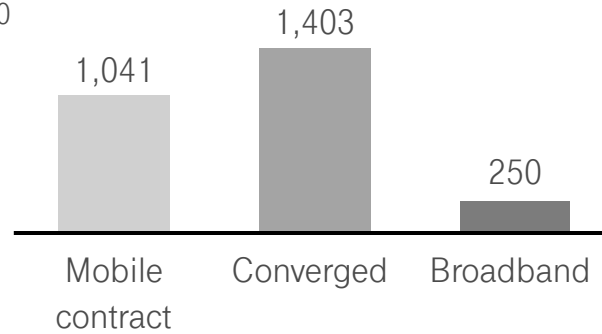
- Leading mobile network in 9 out of 10 EU Natcos² (P3/Connect)

FTTH/B coverage³

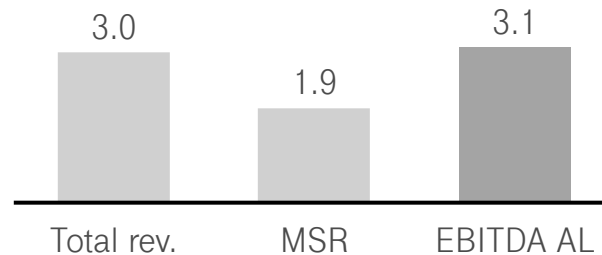


2019 achievements

Net adds
000

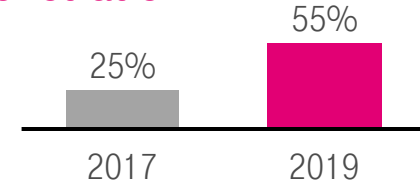


Growth rates yoy
%



App penetration

%



Customer experience

- Churn (e.g., Greece): ~8ppts lower churn in Cosmote 1 (vs fix/mobile only)
- Stable NPS

B2B revenues

- FMCC revenues: 2017: € 0.35bn, 2019: € 0.65bn (CAGR: 36%)
- ICT revenues: 2017: € 1.0bn, 2019: € 1.1bn (CAGR: 5%)

1) EU8 (GR, HU, HR, SK, RO, MK, ME, CZ).

2) Except Romania.

3) EU4 (GR, HU, SK, HR).



LIFE IS FOR SHARING.

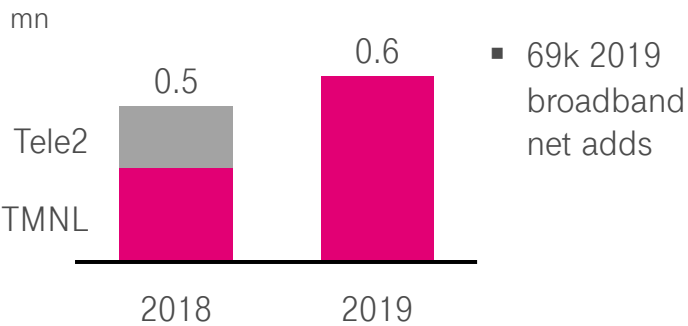
GD/TMNL: DELIVERING MERGER BENEFITS



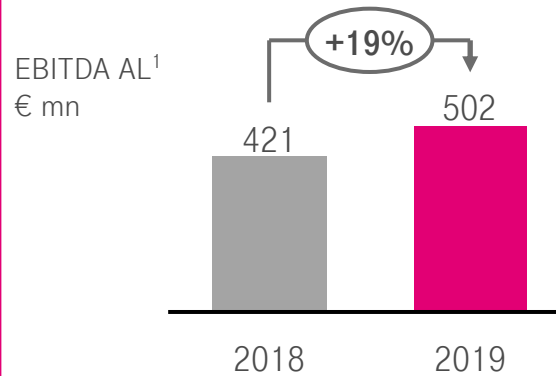
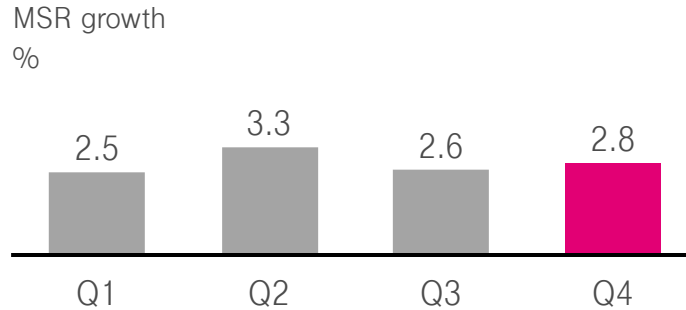
Mobile leadership

- Winner of P3/Umlaut test for 4th year in a row
- Highest score ever measured by Umlaut
- 0.3m contract net adds

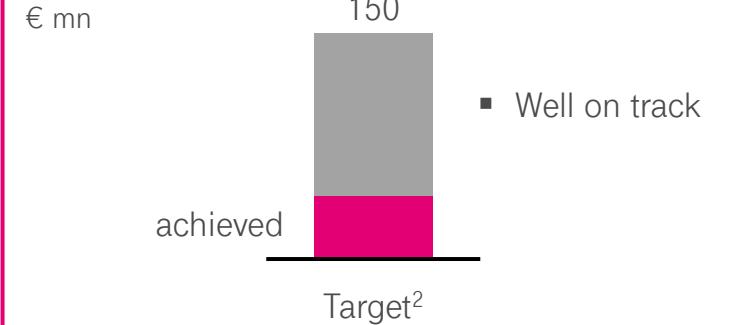
Fixed line scale



2019 achievements



Merger synergies¹



Efficiency

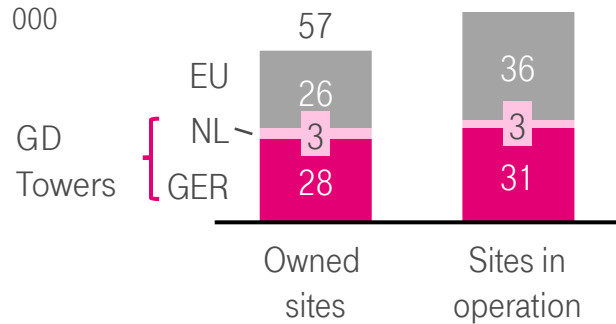
- Number of shops reduced by 13% yoy
- Reduction of FTE by 12% yoy

1) Pro forma. 2) Run-rate after three years from closing, opex & capex.

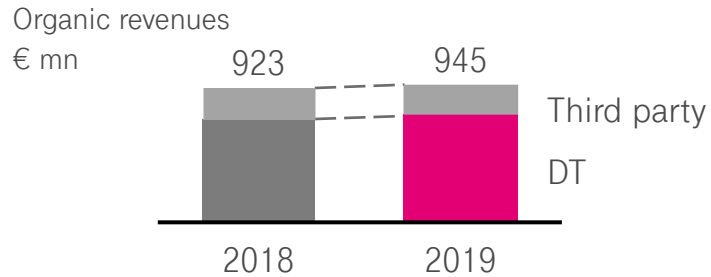
GD/TOWERS: STRONG GROWTH WITH INFRASTRUCTURE



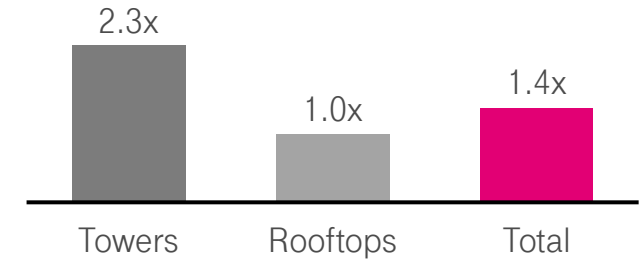
Sites



2019 achievements

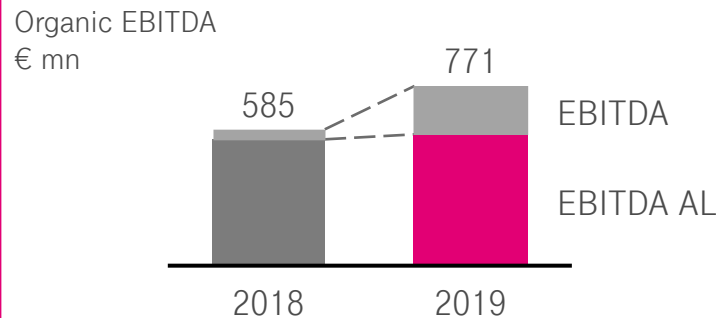


Collocation ratios GER

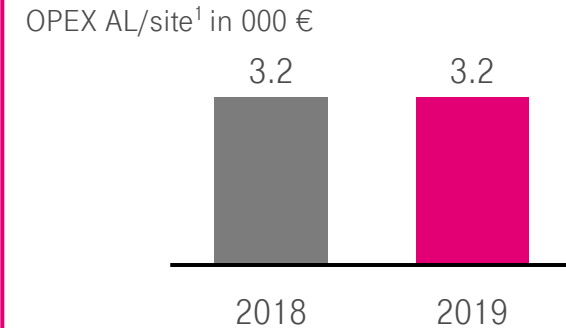


Ongoing site expansion GER

- 1.8k new sites in 2019, t/o 1.4k new build for TDG
- CMD target 9k new sites 17 – 21
- Growth opportunities coverage, 5G



Efficiency



1) Quarterly average in calendar year.

TSI: TURNAROUND ON TRACK

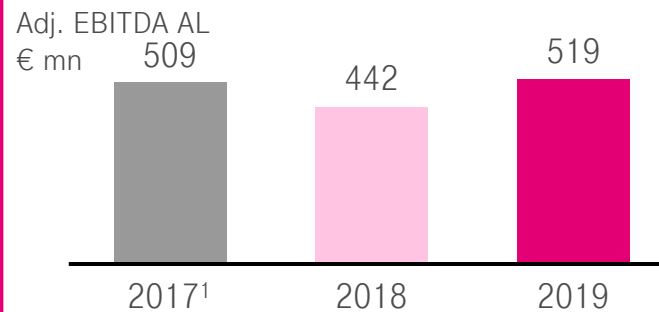
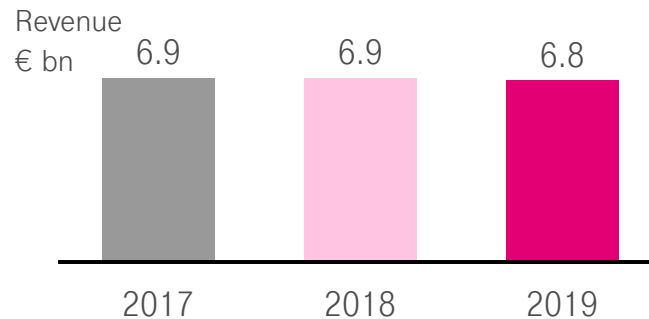
Sales

- Order entry: growth for two consecutive years up, +40% vs 2017
- Clients: better coverage with integrated approach
- Efficiency/digitization: Salesforce go live

Delivery

- Shoring: new strategy in execution (> 3000 FTEs impacted)
- Offshoring: doubled number of FTE in India to ~2,000
- Automation: savings in IT of € 30m in 2019
- Digital delivery: roll-out of ServiceNow

2019 achievements



Portfolio

- New portfolio model: fully operational
- TC: move into Germany to create B2B TC powerhouse
- Security/IoT: carve out for more agility
- Divest: End User Services and a new model for Mainframes

Overhead

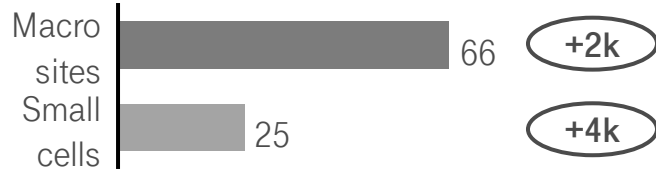
- Savings: 40% in Finance and 30% in HR
- Agility: removed up to 5 layers of management; reduced org units from 1500 to 500 and executives by > -30%; agile organization principles implemented

1) 2017 on pre IFRS 16 basis.

TMUS: ONGOING MOMENTUM



Network expansion

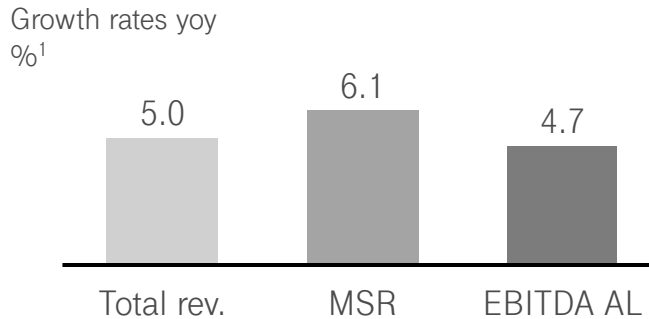
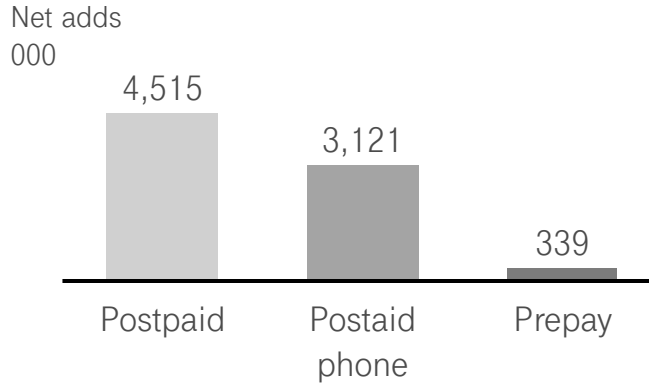


- Number of cities with 600MHz from 2.7k to 9k
- \$ 6.0bn capex in 2019

5G launch

- Nationwide 5G launch (200m pops, low-band), 6 months ahead of time
- Acquired 0.4GHz of mmWave spectrum in auctions 101 & 102 in 2019

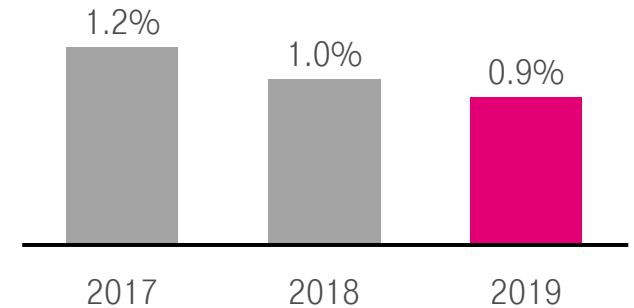
2019 achievements



Commercial focus

- Growth in B2B, 55+, military, new geos
- Best ever industry score in JD Power wireless customer care survey, based on “Team of Experts” success

Reduced churn²



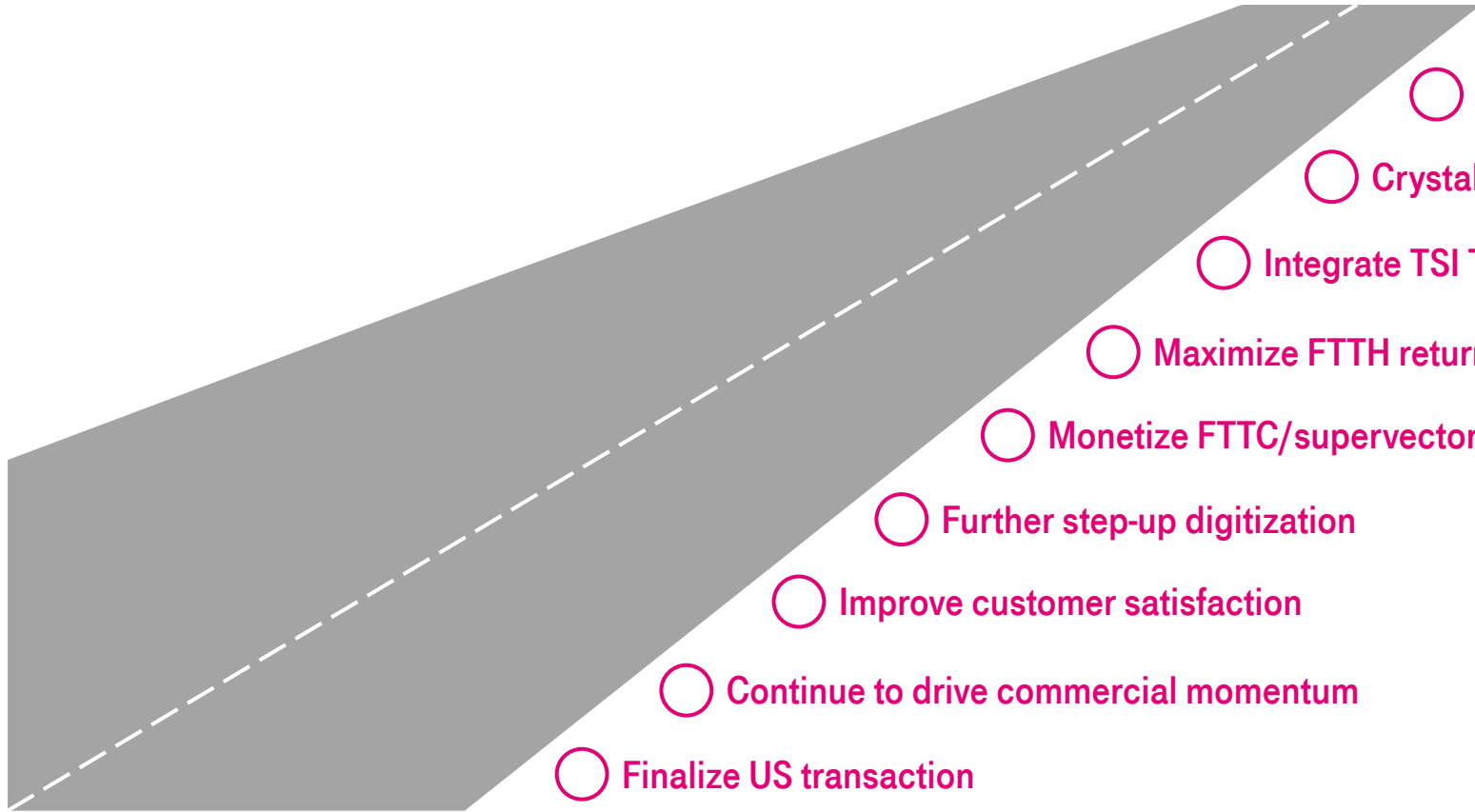
1) IFRS; US GAAP growth +6.3% service revenue and +9.2% adj. EBITDA; organic.

2) Branded postpaid phone churn.

STRATEGY: WORKING TOWARDS IMPLEMENTATION



AGENDA: WE WON'T STOP!



- Drive innovation, diversity, and cultural change
- Crystallize tower value for shareholders
- Integrate TSI TC into Germany
- Maximize FTTH return-on-invest
- Monetize FTTC/supervectoring
- Further step-up digitization
- Improve customer satisfaction
- Continue to drive commercial momentum
- Finalize US transaction



LIFE IS FOR SHARING.



REVIEW Q4/19

FINANCIALS: GROWTH IN ALL METRICS

€ mn

| | Q4 | | | FY | | |
|--|--------|--------|--------|--------|--------|--------|
| | 2018 | 2019 | Change | 2018 | 2019 | Change |
| Revenue | 20,261 | 21,361 | +5.4% | 75,656 | 80,531 | +6.4% |
| Adj. EBITDA AL ¹ | 5,573 | 6,030 | +8.2% | 23,074 | 24,731 | +7.2% |
| Adj. EBITDA AL (excl. US) ¹ | 3,037 | 3,320 | +9.3% | 12,990 | 13,597 | +4.7% |
| Adj. net profit | 796 | 1,016 | +27.6% | 4,545 | 4,948 | +8.9% |
| Net profit | -431 | +654 | n.a. | 2,166 | 3,867 | +78.5% |
| Adj. EPS (in €) | 0.17 | 0.21 | +23.5% | 0.96 | 1.04 | +8.3% |
| Free cash flow AL ^{1,3} | 1,438 | 1,763 | +22.6% | 6,051 | 7,013 | +15.9% |
| Cash capex ² | 3,080 | 3,075 | -0.2% | 12,222 | 13,118 | +7.3% |
| Net debt ¹ | n.a. | 76,031 | n.a. | n.a. | 76,031 | n.a. |
| Net debt AL ¹ | 54,732 | 58,248 | +6.4% | 54,732 | 58,248 | +6.4% |

1) Adj. EBITDA AL, net debt AL, and FCF AL historic results not audited. Net debt after IFRS 16, no corresponding figure available for 2018.

2) Excl. spectrum: Q4/18: € 62 mn; Q4/19: € 75 mn; FY/18: € 269 mn; 9M/19: € 1,239 mn.

3) Free cash flow AL before dividend payments and spectrum investment.



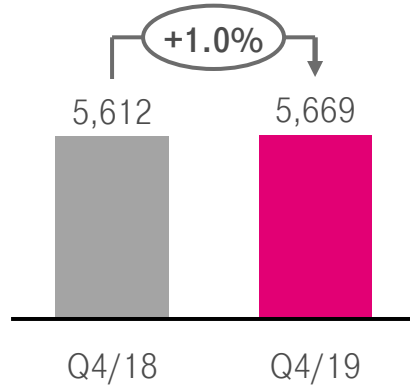
LIFE IS FOR SHARING.

GERMANY: REVENUE AND EBITDA GROWING



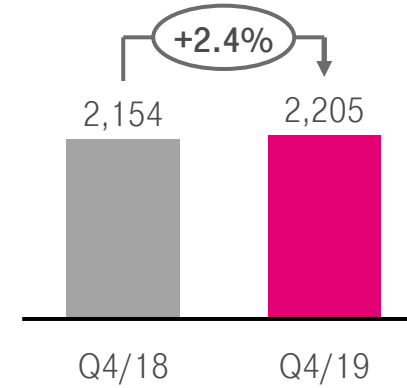
Revenues

€ mn



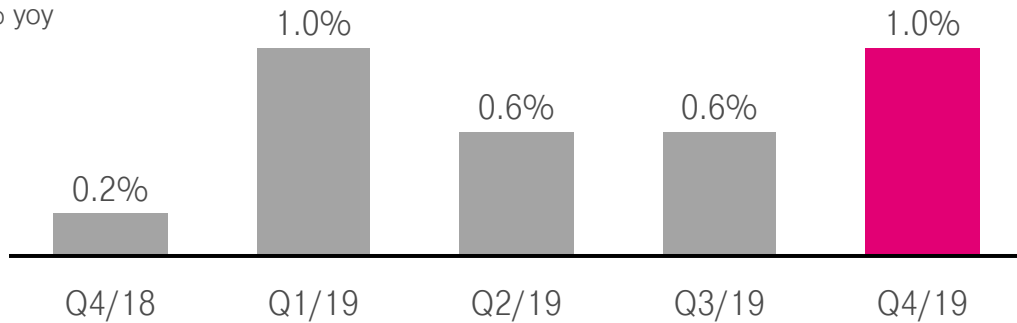
Adj. EBITDA AL

€ mn



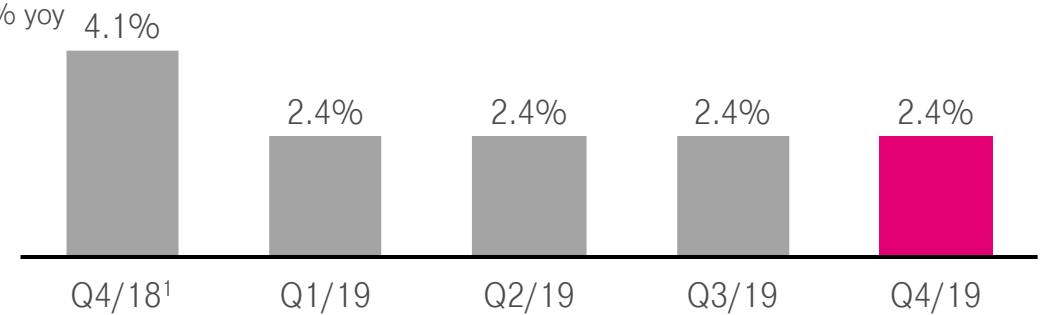
Total service revenue growth

% yoy



Adj. EBITDA AL growth (organic)

% yoy



1) 2017 on pre IFRS 16 basis.

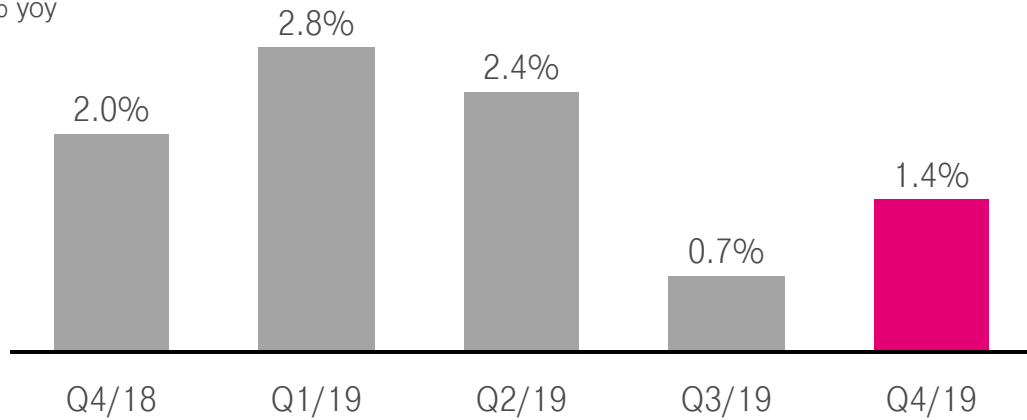


GERMANY: SERVICE REVENUES GROWING



Mobile service revenue growth

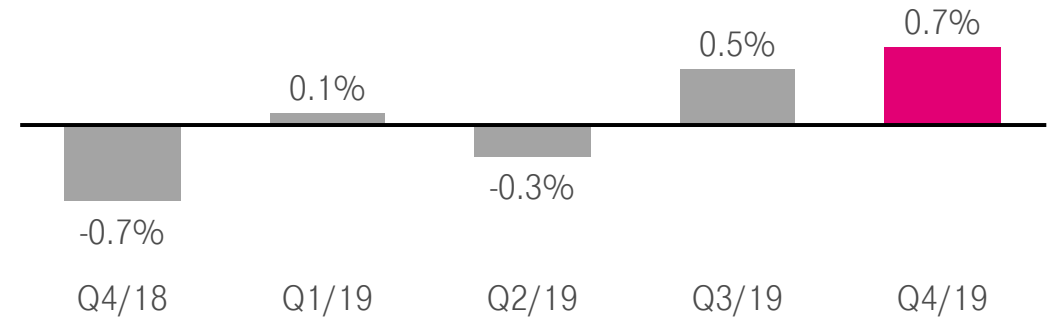
% yoy



- Q3 visitor phasing unwound in Q4
- MSR growth FY 2019 of 1.9%
- On track for ~2% mid term CAGR guidance

Fixed service revenue growth

% yoy



- Broadband/wholesale strength offsets All-IP headwinds
- FSR growth FY 2019 of 0.3% yoy



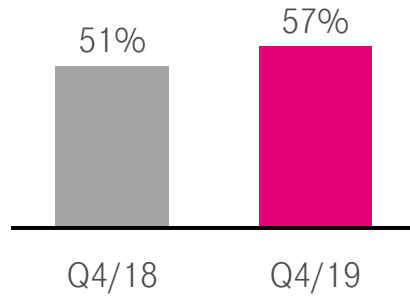
LIFE IS FOR SHARING.

GERMANY: GOOD PROGRESS IN MOBILE



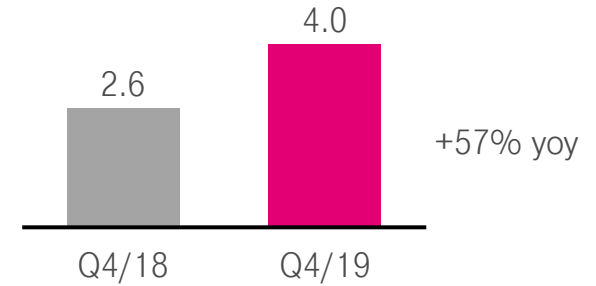
MagentaEINS share (mobile)¹

%

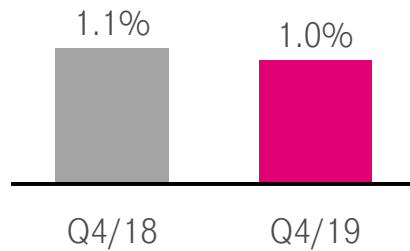


Data usage³

GB

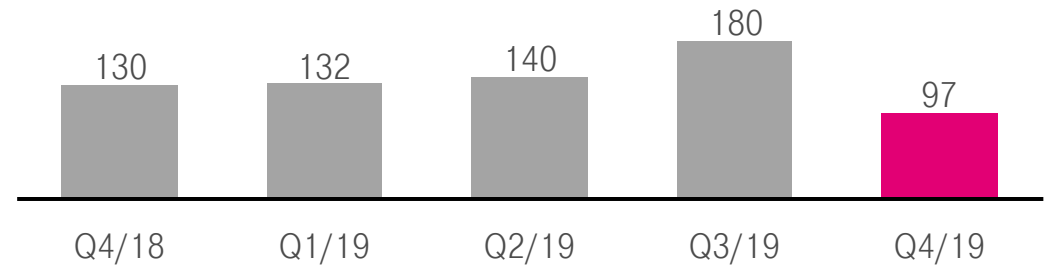


Churn²



Branded contract net adds⁴

000



1) As % of B2C T-branded contract customers.

2) Contract excl. Lebara

3) Per month of B2C T-branded contract customers.

4) Of own branded retail customers excl. multibrand.



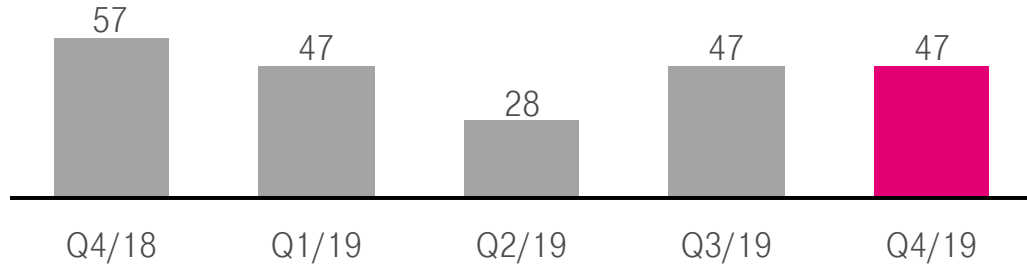
LIFE IS FOR SHARING.

GERMANY: STEADY COMMERCIALS IN FIXED



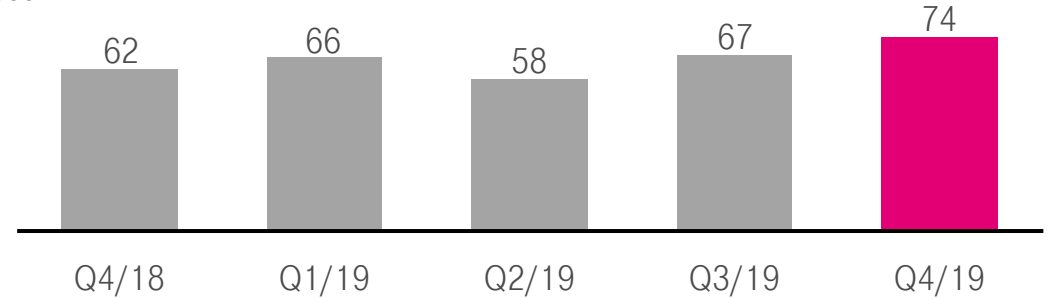
Broadband net adds

000



TV net adds

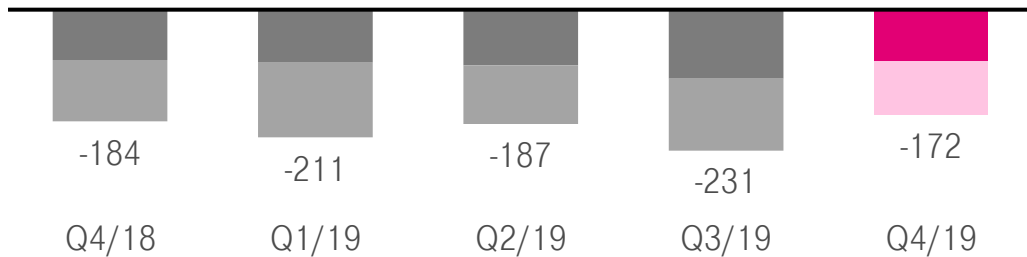
000



Line losses

000

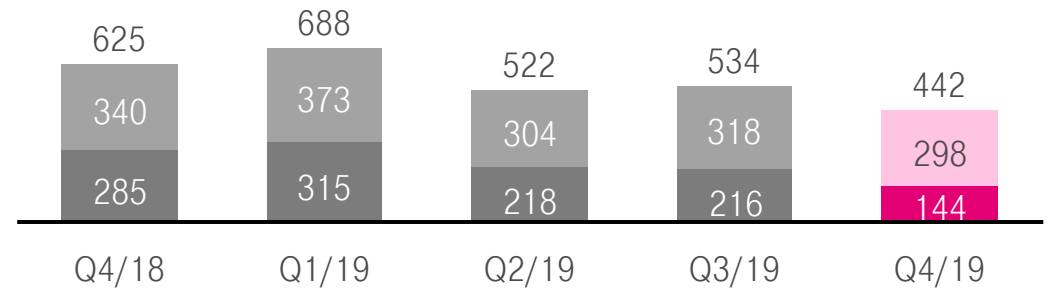
Line losses org.
 Line losses triggered by IP-migration



Fiber net adds

000

Retail
 Wholesale



LIFE IS FOR SHARING.

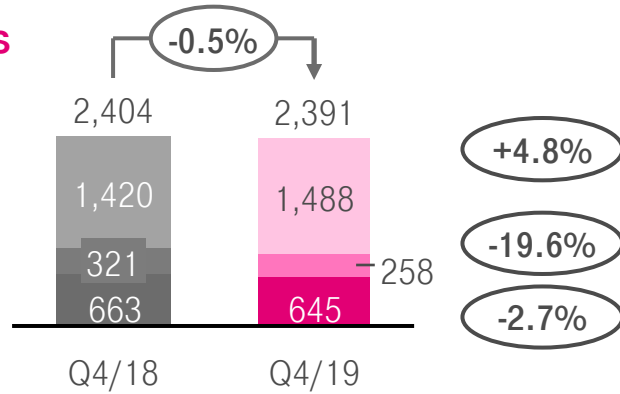
GERMANY: RETAIL FIXED ALMOST STABLE; WHOLESALE GROWING



Retail fixed revenues

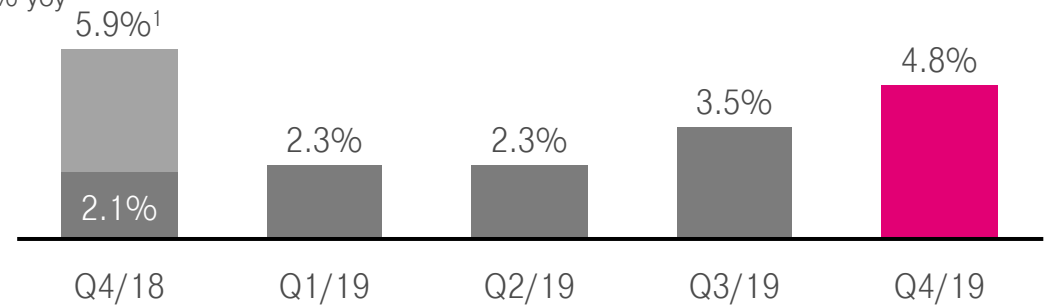
€ mn

- Broadband revenues
- Single play revenues
- Other revenues



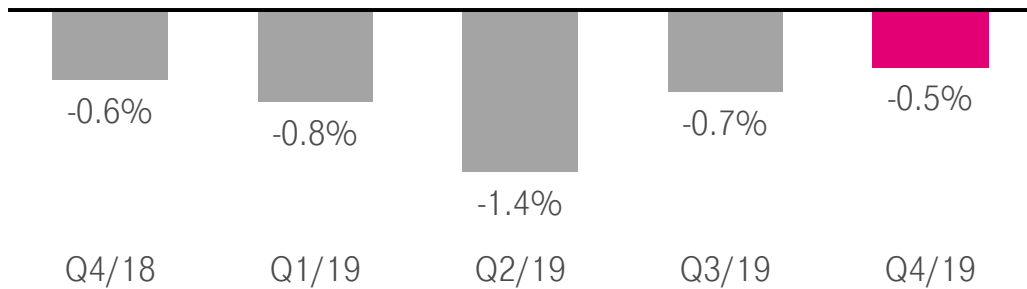
Broadband revenue growth

% yoy



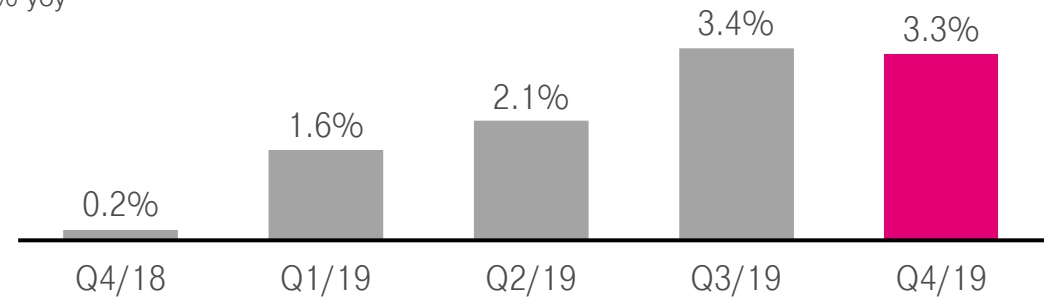
Retail fixed revenue growth

% yoy



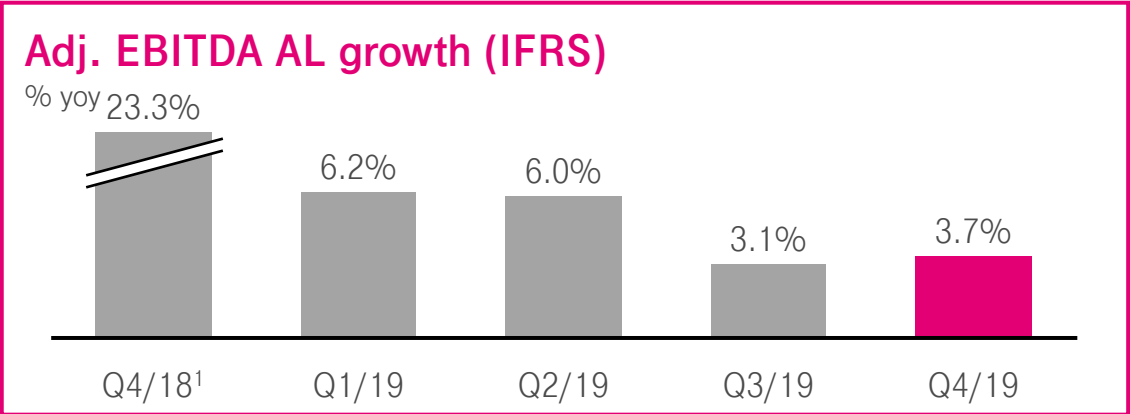
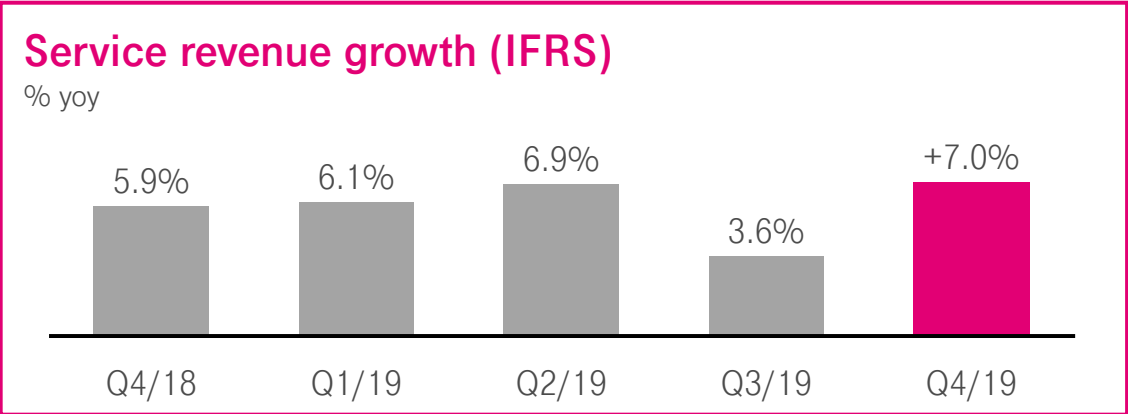
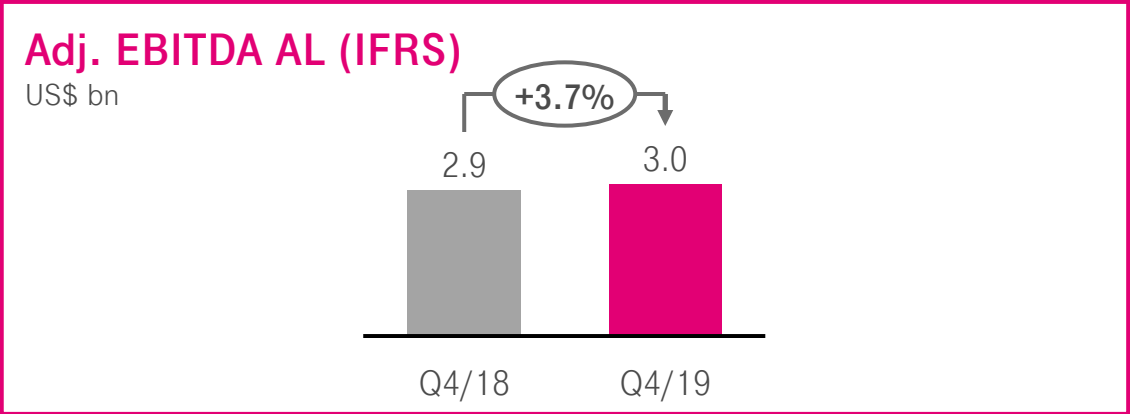
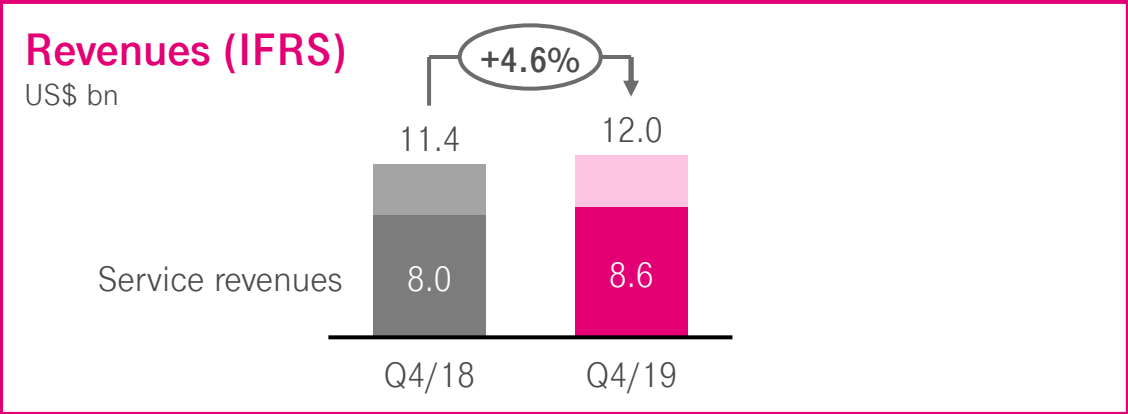
Wholesale revenue growth

% yoy



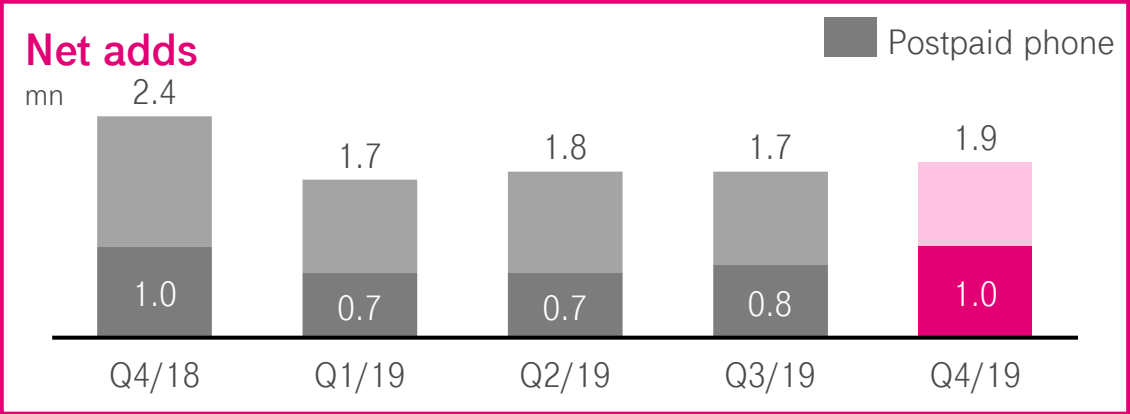
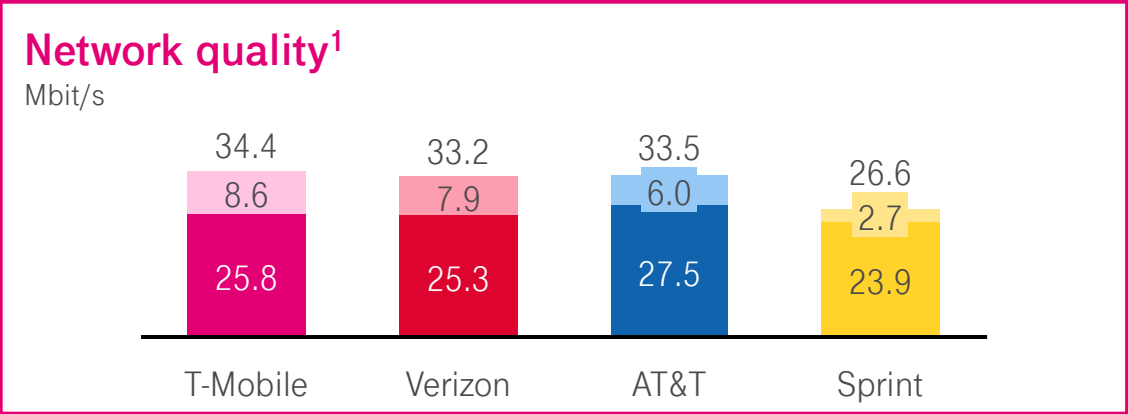
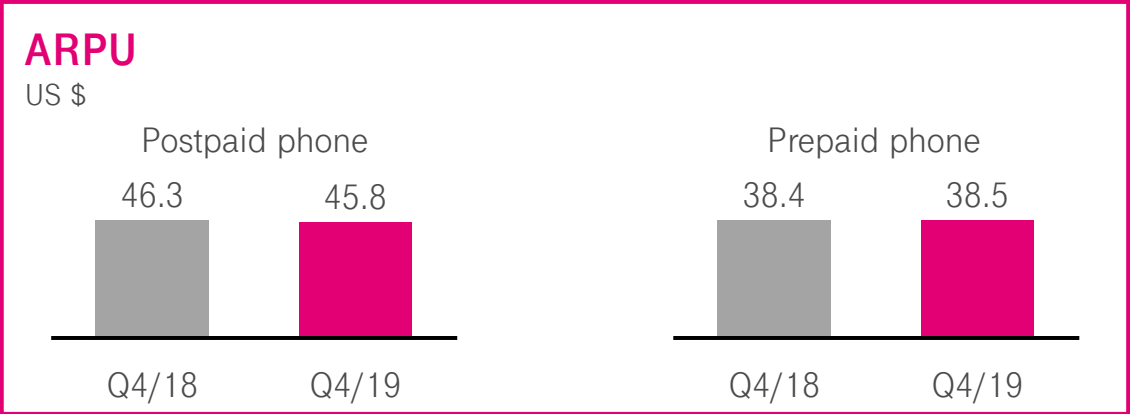
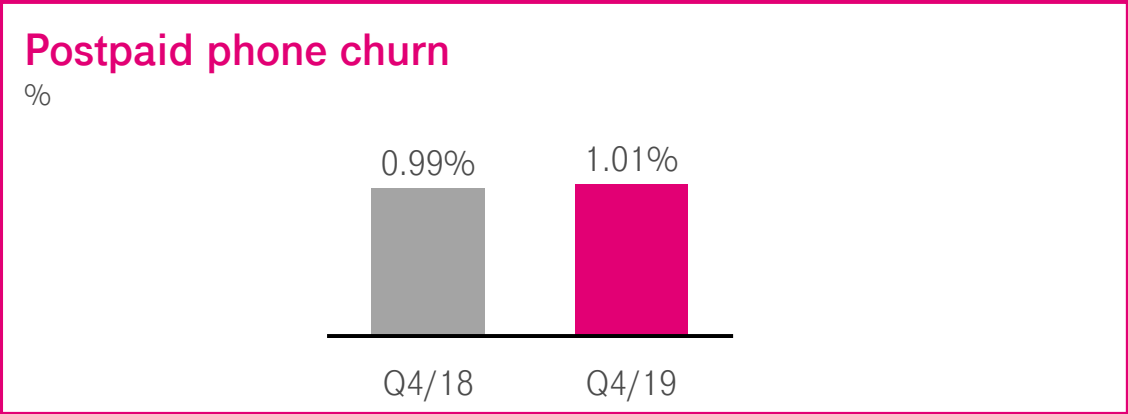
1) Change in definition: Shift from "other revenues" to "BB revenues", underlying performance in Q4/18 +2.1% yoy.

TMUS: CONTINUED INDUSTRY-LEADING GROWTH



Growth rates calculated on US\$ basis. 1) 2017 on pre IFRS 16 basis.

TMUS: EXECUTING ON KEY DRIVERS



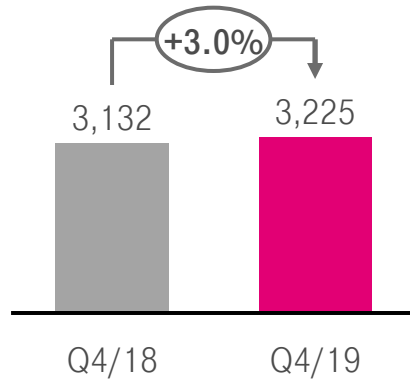
1) Source: Opensignal USA Mobile Network Experience Report Jan 2020.

EUROPE: 8TH CONSECUTIVE QUARTER OF EBITDA GROWTH



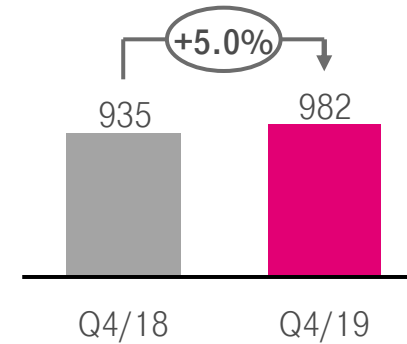
Revenues

€ mn



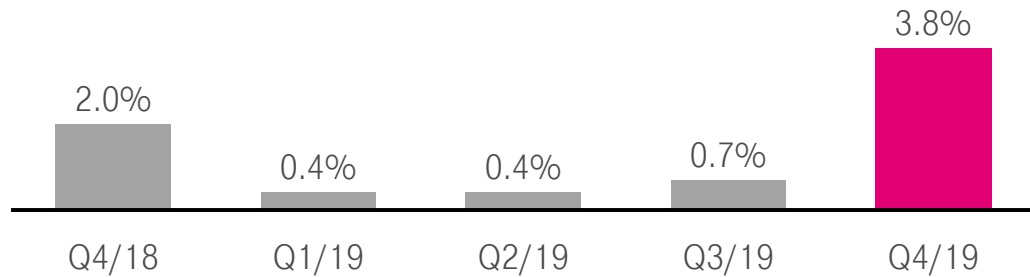
Adj. EBITDA AL

€ mn



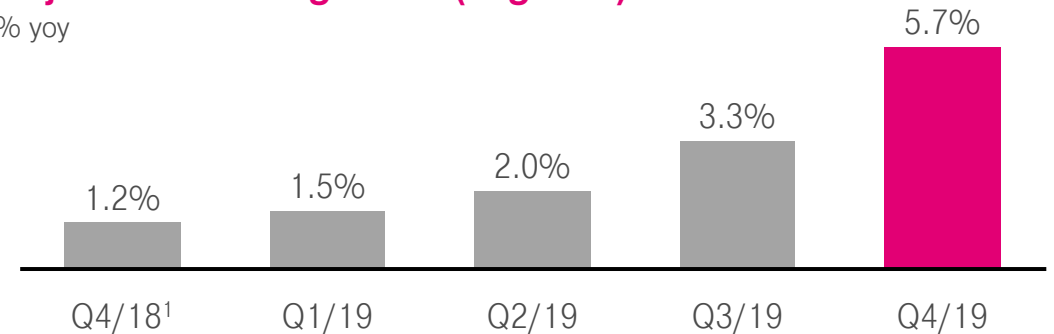
Revenue growth (organic)

% yoy



Adj. EBITDA AL growth (organic)

% yoy

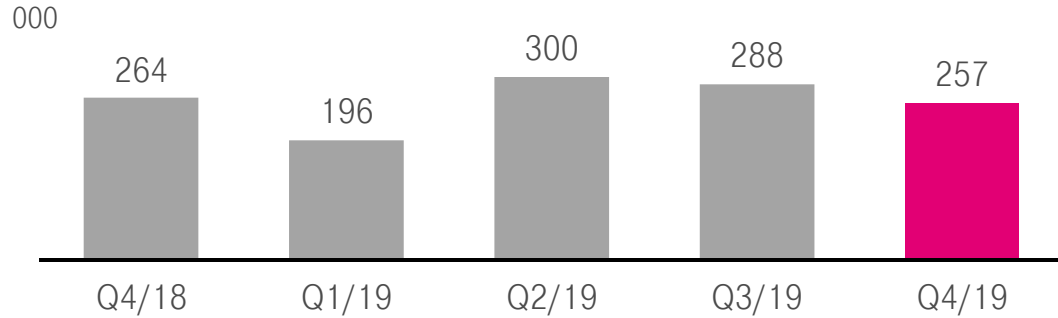


1) 2018 growth rate on pre IFRS 16 basis.

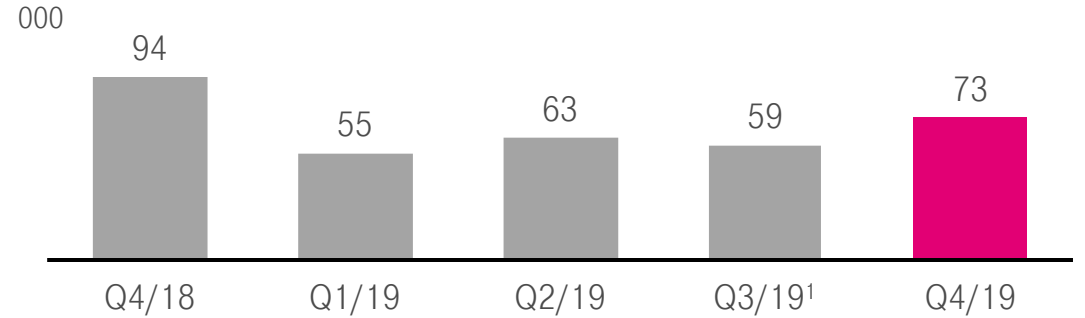
EUROPE: STEADY CUSTOMER GROWTH



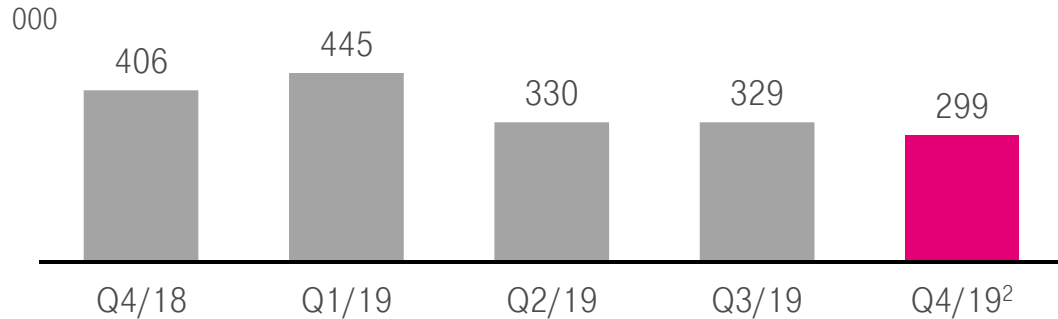
Mobile contract net adds



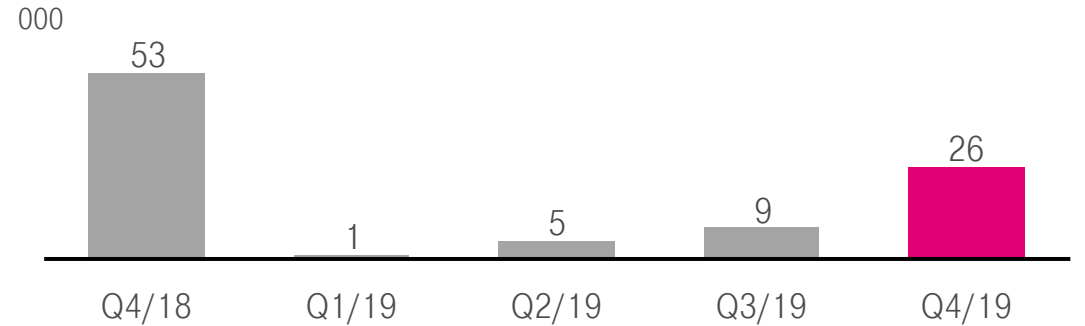
Broadband net adds



FMC net adds



TV net adds



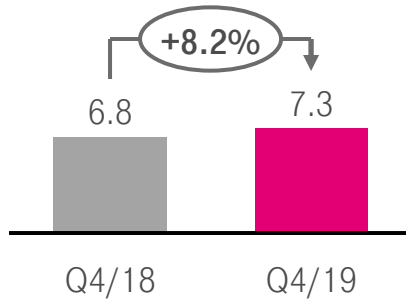
1) Retrospectively adjusted due to technical problem.

2) As of Q4/19 incl. AT.

TSI: TRANSFORMATION INCREASINGLY VISIBLE

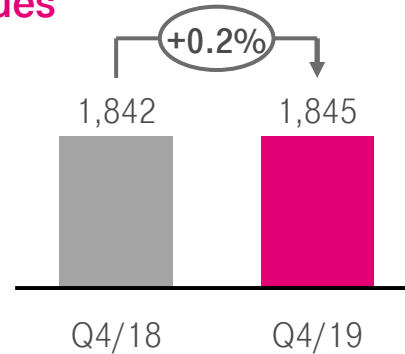
Order entry (LTM)

€ bn



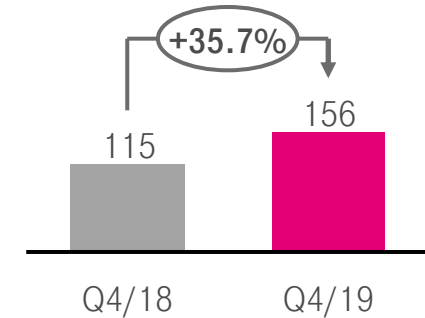
Revenues

€ mn



Adj. EBITDA AL

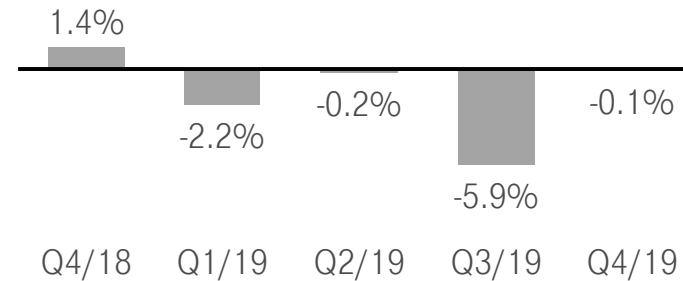
€ mn



Integration of TC
into Germany planned for mid '20

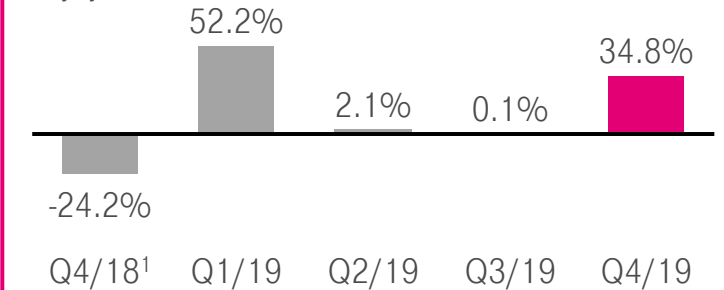
Revenue growth (organic)

% yoy



Adj. EBITDA AL growth (organic)

% yoy

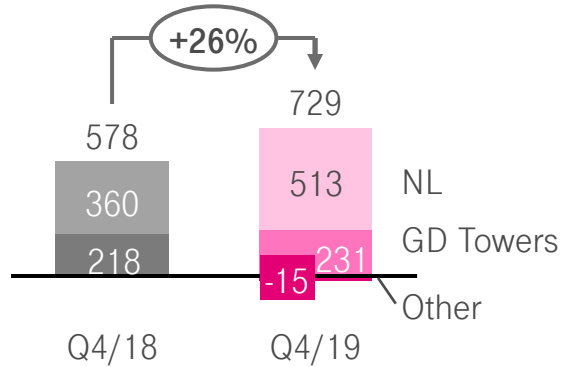


1) 2018 growth rate on pre IFRS 16 basis.

GROUP DEVELOPMENT: GROWTH ACROSS THE BOARD

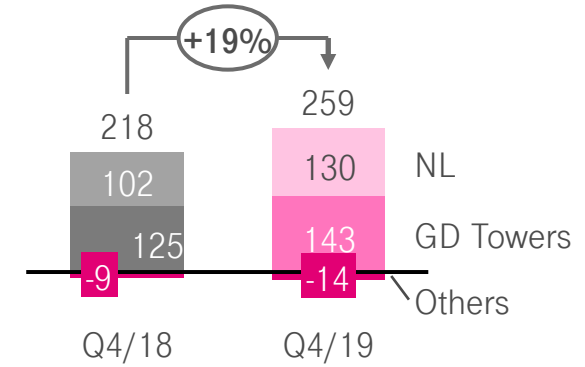
Revenues

€ mn



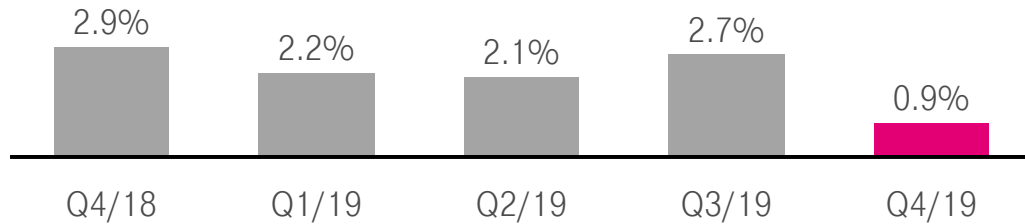
Adj. EBITDA AL

€ mn



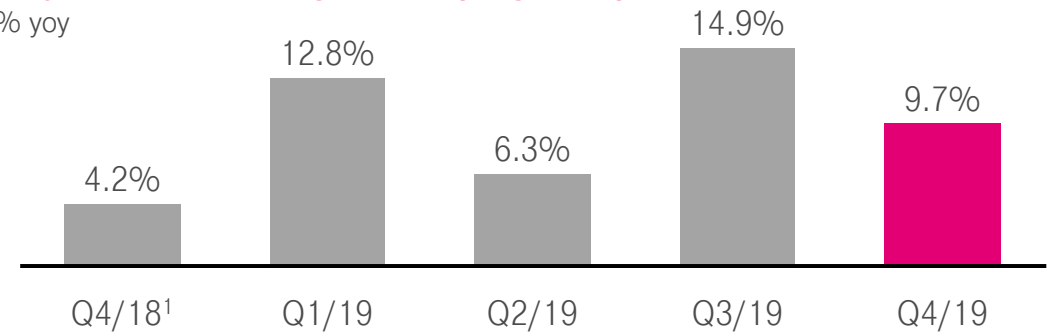
Revenue growth (organic)

% yoy



Adj. EBITDA AL growth (organic)

% yoy



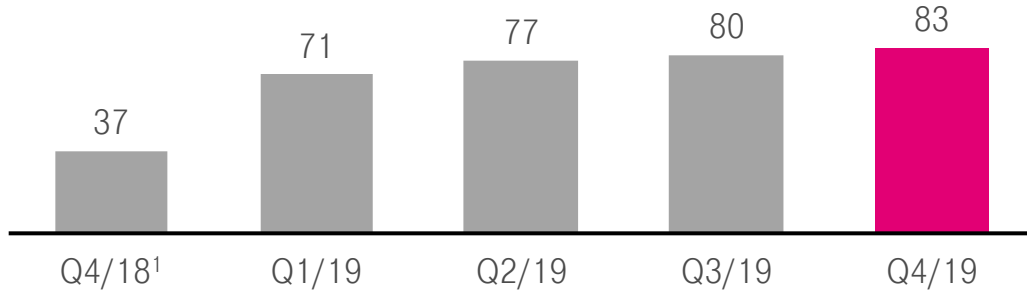
1) 2018 growth rate on pre IFRS 16 basis.

GD/TMNL: STRONG GROWTH



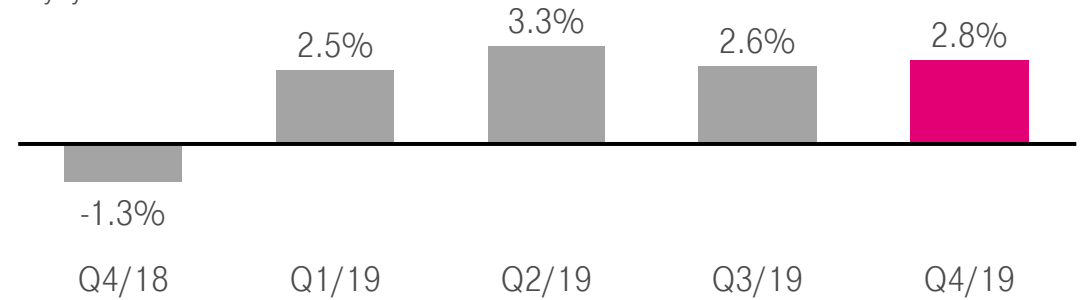
Contract net adds

000



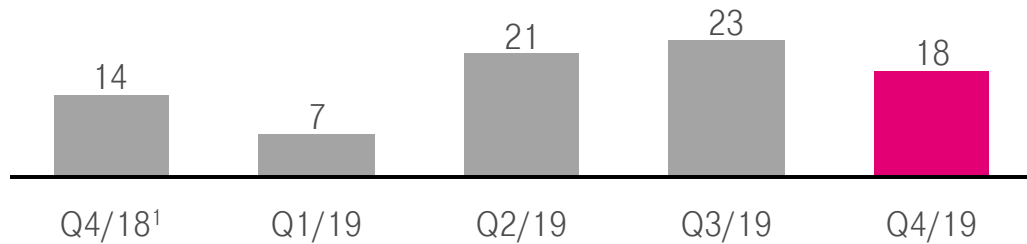
Mobile service revenue growth (organic)

% yoy



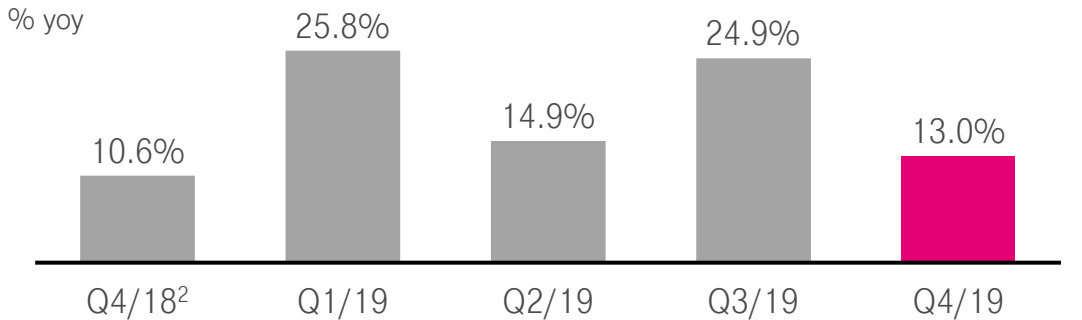
Broadband net adds

000



Adj. EBITDA AL growth (organic)

% yoy



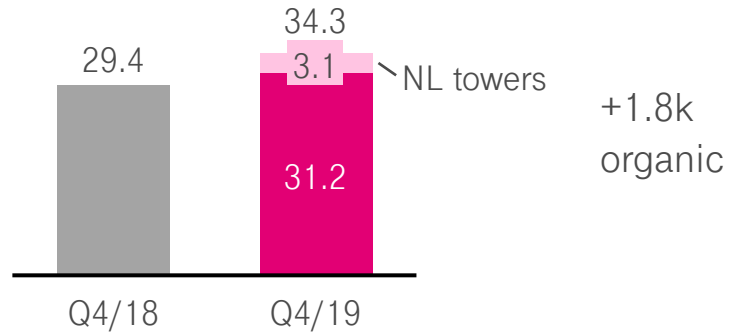
1) w/o Tele2. 2) Adj. EBITDA.

GD TOWERS: ONGOING EXPANSION



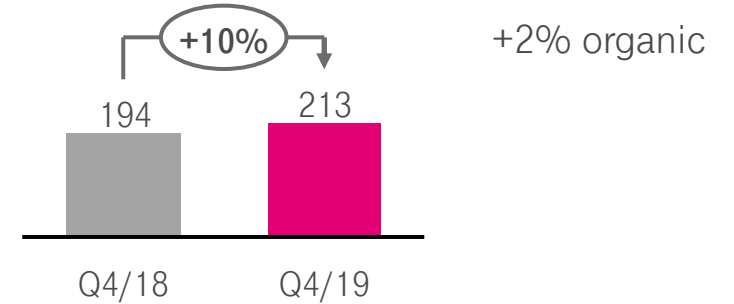
Total sites

000



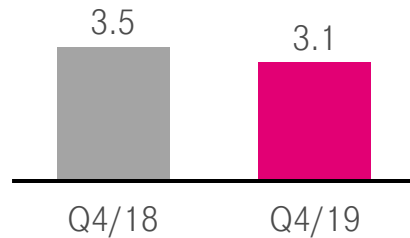
Recurring rental revenues

€ mn



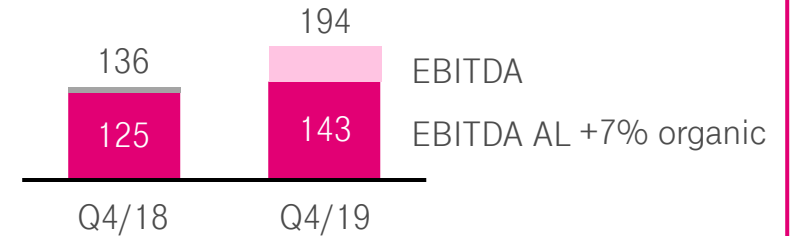
Opex AL per site

000 €



Adj. EBITDA

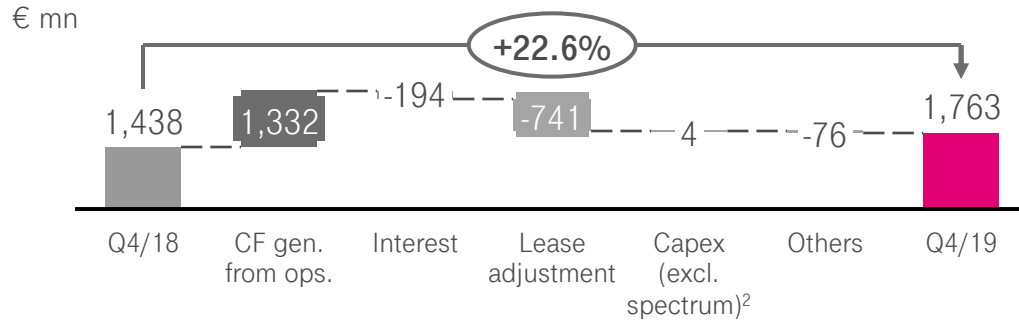
€ mn



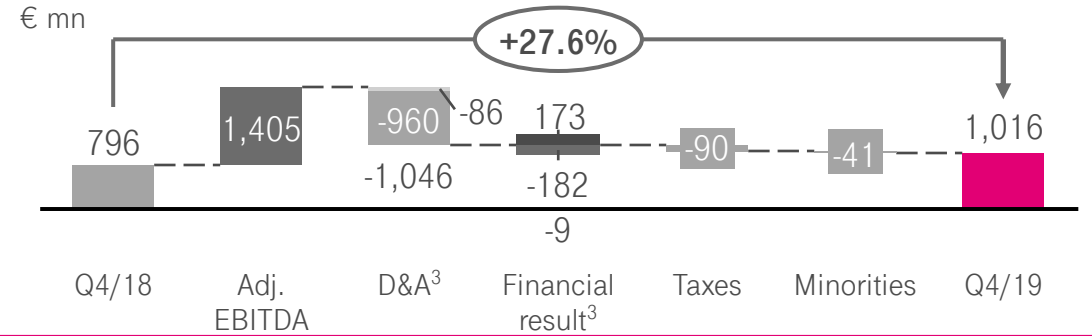
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FINANCIALS: FCF, NET DEBT, ADJ. NET INCOME AND EPS

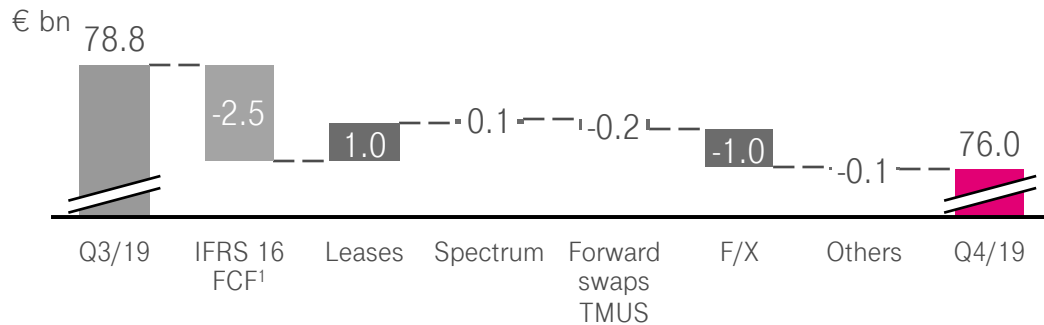
Free cash flow AL¹



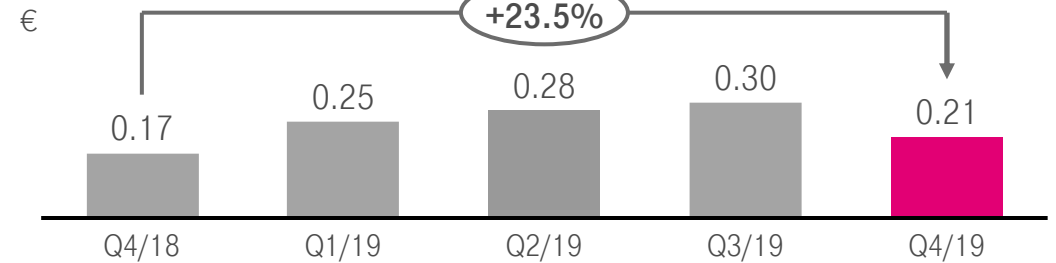
Adj. net income



Net debt (Q4 over Q3)



Adj. EPS



1) Free cash flow and FCF AL before dividend payments and spectrum investment.

2) Excl. spectrum: Q4/18: € 62 mn; Q4/19: € 75 mn.

3) D&A and financial result split in change in leasing related expenses (lower bar) and other expenses.



FINANCIALS: DEBT RATIO BACK IN COMFORT ZONE

€bn

| | 31/12/2018 | 31/03/2019 | 30/06/2019 | 30/09/2019 | 31/12/2019 |
|-----------------------------------|------------|------------|------------|------------|------------|
| Balance sheet total ¹ | 145.4 | 165.5 | 164.2 | 174.3 | 170.7 |
| Shareholders' equity ¹ | 43.4 | 42.8 | 42.7 | 45.1 | 46.2 |
| Net debt ¹ | 55.4 | 71.9 | 75.7 | 78.8 | 76.0 |
| Net debt/adj. EBITDA ² | 2.4 | 2.65 | 2.74 | 2.80 | 2.65 |
| Equity ratio | 29.9% | 25.8% | 26.0% | 25.9% | 27.1% |

Comfort zone ratios

| | |
|---|---|
| Rating: A-/BBB | ● |
| 2.25 – 2.75 net debt/adj. EBITDA ² | ● |
| 25 – 35% equity ratio | ● |
| Liquidity reserve covers redemption of the next 24 months | ● |

Current rating

| | | |
|-----------------------|-------------|----------------------|
| Fitch: | BBB+ | stable outlook |
| Moody's: ³ | Baa1 | negative outlook |
| S&P: ³ | BBB+ | CreditWatch negative |

1) Values for 2018 based on old accounting standard. As of Q1/19 according to IFRS 16. 2) Ratios for the interim quarters calculated on the basis of previous 4 quarters. Comfort zone ratio increased from 2-2.5 previously to 2.25. – 2.75 following change to IFRS 16 in Q1/19. 3) Outlook changed end of April 18, following the announced merger of TMUS and Sprint. Previous outlook was "stable".



APPENDIX

MID TERM AMBITION LEVEL

| | Mid term ambition level ¹ | Year | Implications of US deal |
|--|--|--------------|---|
| Group revenues | CAGR +1 – 2% | 2017 – 2021e | Confirmed |
| Group adj. EBITDA/EBITDA AL | CAGR +2 – 4% | 2017 – 2021e | Confirmed |
| Adj. EBITDA/EBITDA AL ex US | CAGR +2 – 3% | 2017 – 2021e | Confirmed |
| Group FCF/FCF AL | CAGR ≈+10% | 2017 – 2021e | Slightly dilutive in year 3 & accretive in year 4 |
| Group adj. EPS | ≈+0.2 € | 2018 – 2021e | Slightly dilutive in year 3 & accretive in year 4 |
| Group ROCE | ROCE > WACC | 2021e | Confirmed |
| Group cash capex | Ex US stable | 2017 – 2021e | Confirmed |
| Group indirect opex | Ex US - € 1.5 bn | 2017 – 2021e | Confirmed |
| Shareholder remuneration policy (2018 – 2021) ² | reflecting adjusted EPS growth, minimum € 0.60 while considering share buy backs | 2017 – 2021e | Confirmed |

1) Based on constant exchange rates (average exchange rate 2017 of €1 = US\$1.13) and no further changes in the scope of consolidation. 2) Subject to necessary AGM approval and board resolution.

OUTLOOK 2020/21 (1/2)

€ bn

| | 2019 | 2020e | 2021e |
|-----------------------------|-------------|-----------------|------------------------|
| Revenue Group | 80.5 | Increase | Slight increase |
| Germany | 21.9 | Slight increase | Slight increase |
| US (in US\$) | 45.2 | Increase | Increase |
| Europe | 12.2 | Slight increase | Slight increase |
| Systems Solutions | 6.8 | Stable | Slight increase |
| Group development | 2.8 | Increase | Increase |
| Adj. EBITDA AL Group | 24.7 | 25.5 | Increase |
| Germany | 8.7 | 8.9 | Increase |
| US (in US\$) | 12.5 | 13.0 | Increase |
| Europe | 4.0 | 4.1 | Slight Increase |
| Systems Solutions | 0.5 | 0.6 | Strong increase |
| Group development | 1.0 | 1.1 | Increase |



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OUTLOOK 2020/21 (2/2)

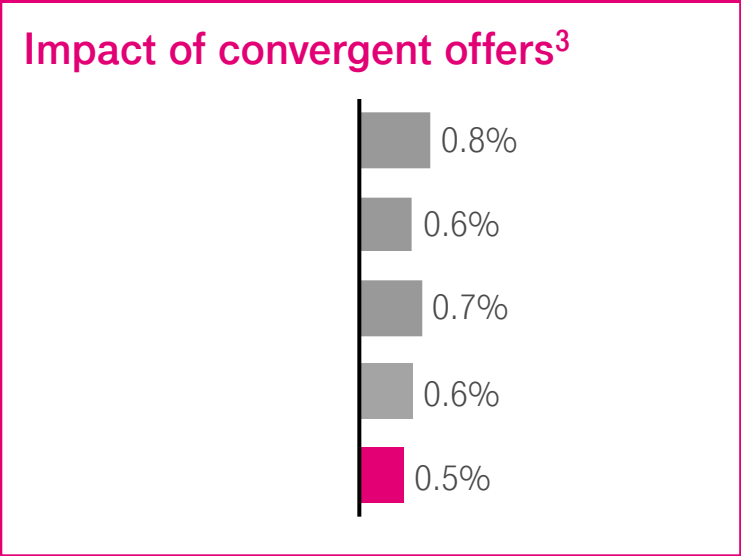
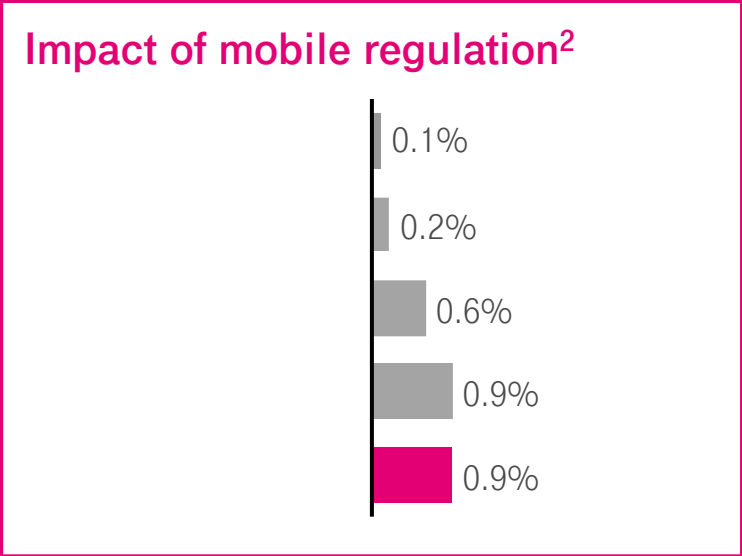
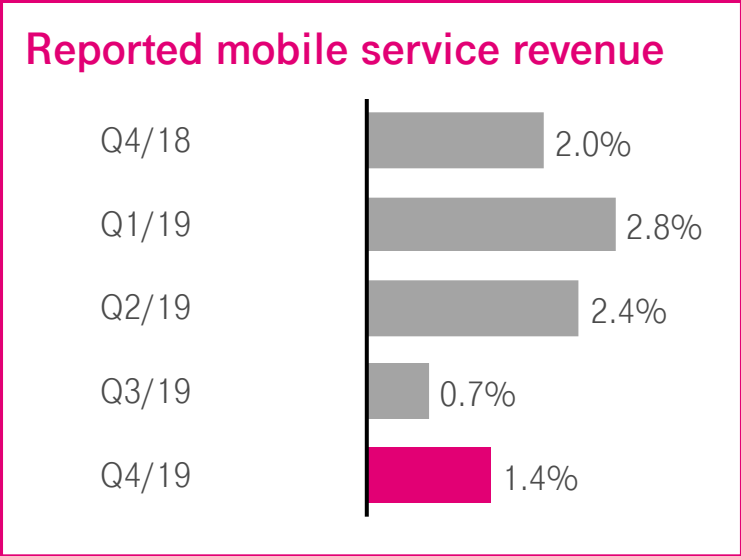
€ bn

| | 2019 | 2020e | 2021e |
|---------------------------|-------------|---|---|
| Cash Capex Group | 13.1 | 13.0 | |
| Germany | 4.2 | Slight decrease | Stable |
| US (in US\$) | 6.0 | Stable | |
| Europe | 1.7 | Stable | Slight decrease |
| Systems Solutions | 0.4 | Stable | Stable |
| Group Development | 0.5 | Strong Increase | Increase |
| FCF AL Group | 7.0 | 8.0 | Increase |
| Dividend per share (in €) | 0.6 | reflecting adj. EPS growth, minimum € 0.60 | reflecting adj. EPS growth, minimum € 0.60 |
| Adj. EPS | 1.04 | Slight increase | |
| Net debt/adj. EBITDA | 2.65 | 2.25 – 2.75 | 2.25 – 2.75 |



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GERMANY MOBILE: SERVICE REVENUE¹



Old medium term guidance (2014 – 2018 CAGR)

≈+1% (without EU roaming impact)

New medium term guidance (2017 – 2021 CAGR): Re-iterated

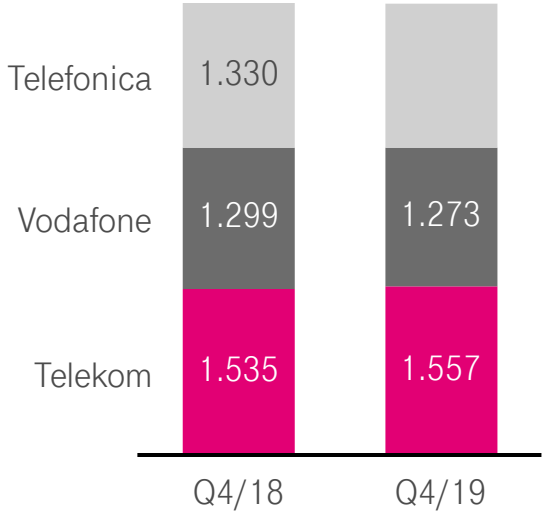
≈+2%

1) 2018 rates calculated excl. IFRS15. From 2019 onwards incl. IFRS 15. 2) Impact of MTR, intern. EU call, and EU roaming regulation. 3) Impact of MagentaEINS and Telekom LTE broadband.

GERMAN MARKET OVERVIEW

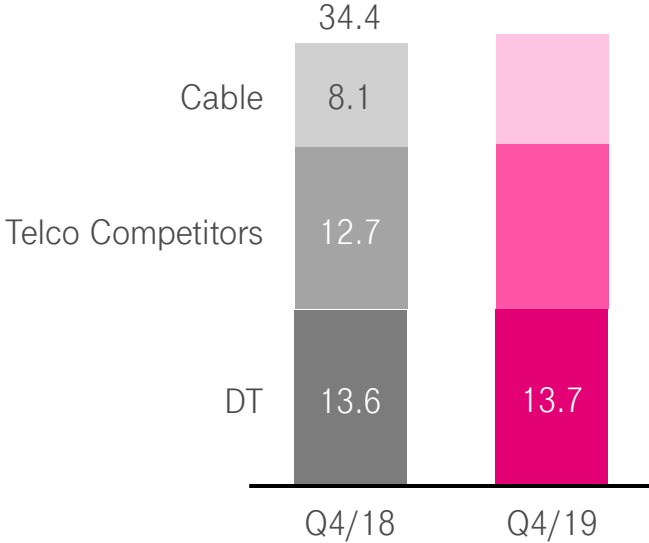
German mobile market service revenue¹

€ mn



German broadband market²

mn



1) On IFRS 15 basis. 2) Based on management estimations.