

# KEY MESSAGES & MID-TERM AMBITION LEVELS

COMPILATION OF ALL SESSIONS

CAPITAL  
MARKETS  
DAY 2021

One Team.



# GROUP: Accelerating our path to value creation

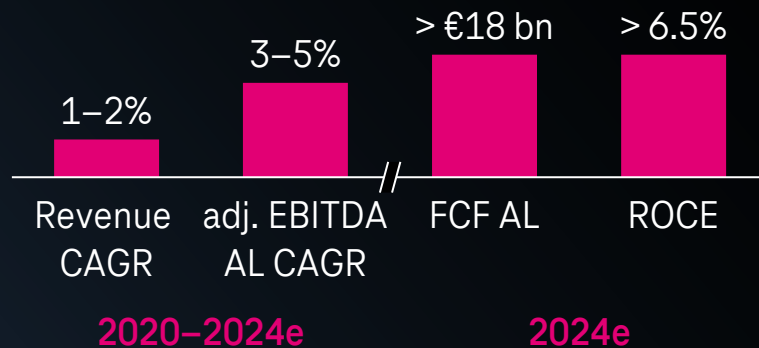


## ORGANIC GROWTH

- Our **flywheel** works
- Proven **execution**



### DT group ambitions



## CAPITAL ALLOCATION/PORTFOLIO

Invest in “leading” Fiber & 5G networks ... and **monetize**

Focus on structurally **healthy markets** only

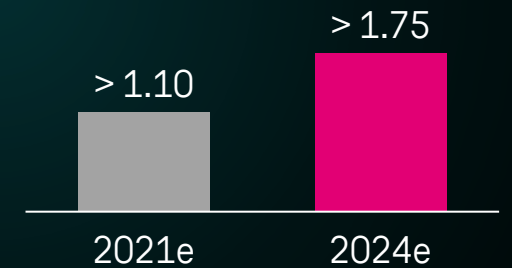
Secure **US majority** (> 50%)

**Deleverage & return to corridor** in 2024

**Strategic reviews** for TMNL & Towers

## SHAREHOLDER VALUE

**Adj. EPS**  
€/share



### Dividends

**40-60%**  
of adj. EPS, with  
minimum of €60 c



# GROUP: 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

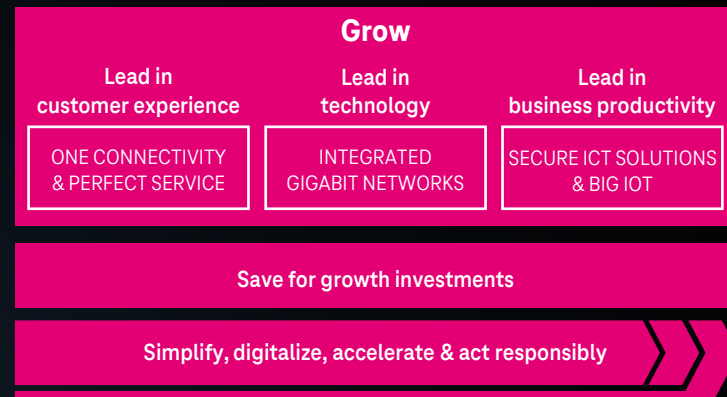
We guarantee attractive shareholder returns with dividends being 40–60% of adj. EPS, our dividend floor remains at €60 c minimum

# 2030 paradigm shifts drive our strategy evolution



## What is right, stays right

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



## Paradigm shifts ahead – telco vision 2030

- 01 **B2C** From connectivity to customer experience
- 02 **B2B** From dedicated to software-driven enterprise solutions
- 03 **People, society & environment** From ESG as hygiene factor to ESG as differentiator
- 04 **Networks** From monolithic incumbent to network orchestrator
- 05 **Digitalization** From vertical silos to Telco-as-a-platform – cloud-native, API-based

## Future growth levers: 2021–2024

- Grow by turning customers into fans
- Become digital enabler
- #GreenMagenta, #GoodMagenta
- Build, orchestrate & differentiate
- Digitalize, digitalize, digitalize ... the full stack



# GROUP: Our core beliefs will guide us!



## **We grow by turning customers into fans and strive for creating the leading global telco brand**

- “Always best connected with Telekom” – branded, ubiquitous connectivity is our differentiating core
- Our “tadelloser” (flawless) service and omnichannel sales combine best digital with personal customer interaction
- We provide a best selection of digital services – local, playing on our strengths, with partners
- We value loyalty and have the best offerings – personalized, context aware with the consent of our customers

## **We enable enterprise digitalization with best-fit connectivity, digital solutions, and cloud services – global, secure and self-administrated**

- We enable digitalization of our B2B customers with best-fit, global, E2E-secure Telekom connectivity solutions
- We provide the best digital & sovereign cloud solutions for enterprises ranging from branded, own products to wholesale models and partner solutions
- We make connectivity “programmable”: Self-administrated and tailored to all future work and production environments

## **We build, orchestrate and differentiate through our network of networks**

- We lead with our own fixed & mobile infrastructure – striving for best utilization and ownership economics
- We provide seamless E2E-orchestration of own and 3rd party networks
- We aim for a cloud-based, automated production, leveraging APIs and microservices for digital offerings

## **Superior portfolio – best assets, best markets and disciplined value creation**

- We consequently pick the right assets and teams in structurally healthy markets – we don’t make bad deals!
- Our transatlantic presence in Triple A markets makes our portfolio resilient
- We venture into new, entrepreneurial setups for building digital services
- Our global weight & know how enables scale & synergies along the entire value chain

## **Best team in industry – acting responsibly**

- We empower our frontline people locally – always putting the customer first
- we inspire and develop our people to act like entrepreneurs
- We want to make DT a great place to work for digital natives, network engineers and service creators
- Our actions are geared towards protecting the environment & enabling a digital society based on democratic values

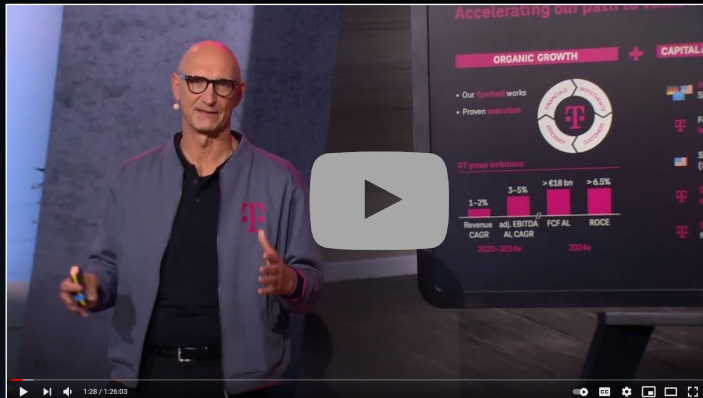
# GROUP: Midterm ambition level



	Midterm ambition level <sup>1</sup>	Year
Revenues	<ul style="list-style-type: none"> <li>Group: CAGR +1–2%</li> </ul>	<ul style="list-style-type: none"> <li>2020–2024e</li> </ul>
Total service revenues	<ul style="list-style-type: none"> <li>Group: CAGR +3–4%</li> </ul>	<ul style="list-style-type: none"> <li>2020–2024e</li> </ul>
Adj. EBITDA AL	<ul style="list-style-type: none"> <li>Group: CAGR +3–5%</li> <li>Ex US: CAGR +2–3%</li> </ul>	<ul style="list-style-type: none"> <li>2020–2024e</li> <li>2020–2024e</li> </ul>
Adj. Core EBITDA AL	<ul style="list-style-type: none"> <li>Group: CAGR +5–6%</li> </ul>	<ul style="list-style-type: none"> <li>2020–2024e</li> </ul>
FCF AL	<ul style="list-style-type: none"> <li>Group: &gt; €18 bn</li> <li>Ex US: €4 bn</li> </ul>	<ul style="list-style-type: none"> <li>2024e</li> <li>2024e</li> </ul>
Adj. EPS	<ul style="list-style-type: none"> <li>&gt; €1.75</li> </ul>	<ul style="list-style-type: none"> <li>2024e</li> </ul>
ROCE	<ul style="list-style-type: none"> <li>&gt; 6.5%</li> </ul>	<ul style="list-style-type: none"> <li>2024e</li> </ul>
Cash Capex	<ul style="list-style-type: none"> <li>Ex US: ≈€8.2 bn</li> </ul>	<ul style="list-style-type: none"> <li>2024e</li> </ul>
Adj. indirect cost AL	<ul style="list-style-type: none"> <li>Ex US: -€1.2 bn (net savings)</li> </ul>	<ul style="list-style-type: none"> <li>2020–2024e</li> </ul>
Shareholder remuneration policy <sup>2</sup>	<ul style="list-style-type: none"> <li>Adj. EPS payout ratio 40–60%, Floor €60 c</li> </ul>	<ul style="list-style-type: none"> <li>2021–2024e</li> </ul>

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

# GROUP: Watch all presentations and Q&A sessions on YouTube



[Presentation \(incl. Q&A\)](#)



[Final Q&A session](#)



[Wrap-up](#)

[YouTube DTCMD21 watchlist with all sessions](#)



# GERMANY: 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  $\approx 10$  mn fiber homes passed and  $\approx 97\%$  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  $+2.5\text{--}3\%$ <sup>1</sup> and capex efficiency. ROCE will grow to significantly  $>$  WACC.

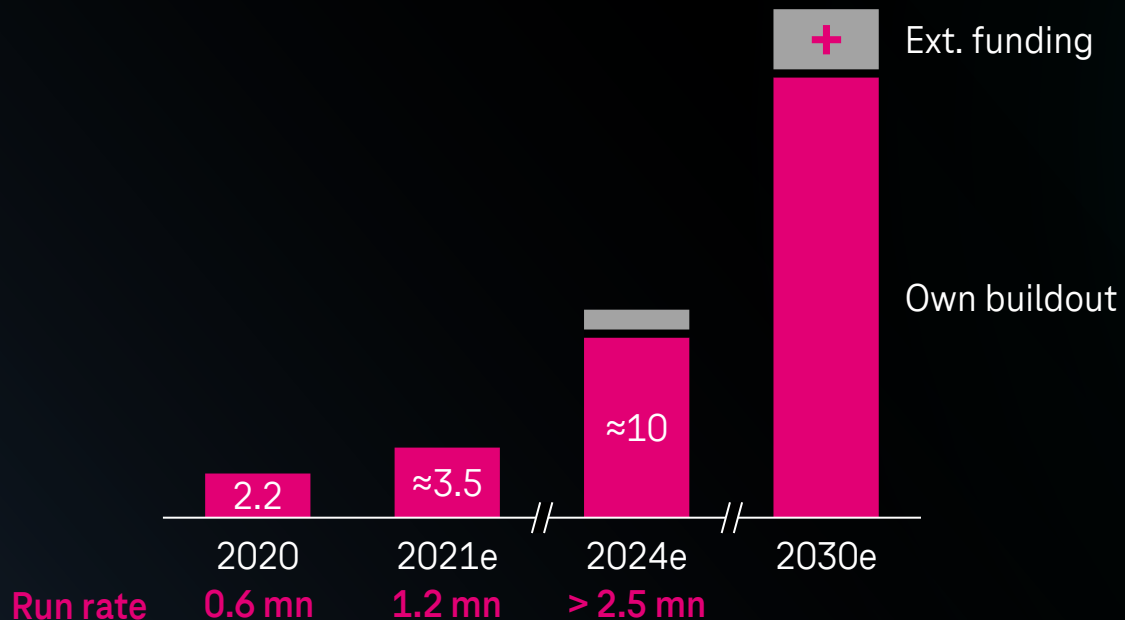
<sup>1</sup> CAGR 2020–2024e

# GERMANY: We will build a future-proof fiber network



## Our FTTH rollout in Germany

Homes passed, mn



**Germany covered with FTTH by 2030**

## 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”

# GERMANY: Midterm ambition level



	Midterm ambition level	Year
<b>Service revenue</b>	<ul style="list-style-type: none"> <li>▪ Mobile service revenue: CAGR 1–2%<sup>1</sup></li> <li>▪ Broadband revenue: CAGR &gt; 4%</li> <li>▪ Wholesale access revenue: stable</li> <li>▪ Total service revenue: CAGR ≥ 1%</li> </ul>	<ul style="list-style-type: none"> <li>▪ 2020–2024e</li> <li>▪ 2020–2024e</li> <li>▪ 2020–2024e</li> <li>▪ 2020–2024e</li> </ul>
<b>Drivers</b>	<ul style="list-style-type: none"> <li>▪ FTTH homes passed: ≈10 mn</li> <li>▪ 5G coverage: ≈97%</li> <li>▪ Adj. indirect costs AL<sup>2</sup>: Reduction by €0.7 bn</li> </ul>	<ul style="list-style-type: none"> <li>▪ 2024e</li> <li>▪ 2024e</li> <li>▪ 2020–2024e</li> </ul>
<b>Financials</b>	<ul style="list-style-type: none"> <li>▪ Revenue: CAGR ≥ 1%</li> <li>▪ Adj. EBITDA AL: CAGR 2.5–3%</li> <li>▪ Cash Capex: ≈€0.5 bn higher</li> </ul>	<ul style="list-style-type: none"> <li>▪ 2020–2024e</li> <li>▪ 2020–2024e</li> <li>▪ 2020–2024e</li> </ul>

<sup>1</sup> Incl. MTR regulatory effects    <sup>2</sup> Germany incl. GHS

# EUROPE: Key messages



## 01 Leading European and fastest growing large-scale telco

EBITDA continuously growing  $> 2\%$ <sup>1</sup> 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

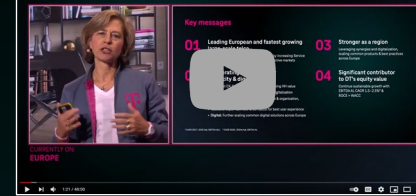
Leveraging synergies and digitalization, scaling common products & best practices across Europe

## 04 Significant contributor to DT's equity value

Continue sustainable growth with EBITDA AL CAGR 1.5–2.5%<sup>2</sup> & ROCE  $>$  WACC

<sup>1</sup> CAGR 2017–2020 Adj. EBITDA (AL)    <sup>2</sup> CAGR 2020–2024e Adj. EBITDA AL

# EUROPE: 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)

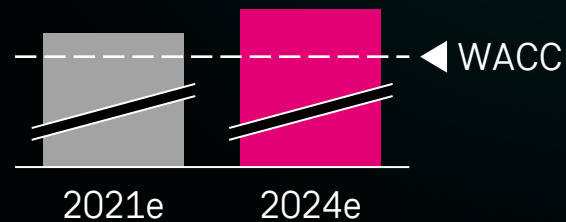
- 13 quarters in a row
- 2020–2024e guidance +1.5–2.5% CAGR

## ✓ High cash generation

- Cash conversion<sup>1</sup> growing from 48% in 2020 to 57% in 2024e
- Cash Capex stable 2020–2024e

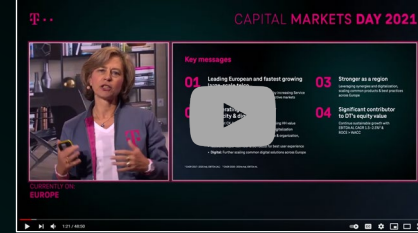
## ✓ Earning cost of capital

- ROCE > WACC



<sup>1</sup> [Adj. EBITDA AL – Cash Capex – Special factors (Cash)] / Adj. EBITDA AL

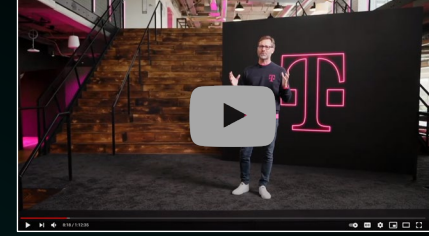
# EUROPE: Midterm ambition level



	Midterm ambition level	Year
<b>Customer centricity</b>	<ul style="list-style-type: none"> <li>Customer satisfaction: #1 in TRI*M in all markets &amp; brand preference <math>\geq</math> market share in all countries</li> <li>Employer ranking: TOP 5–10 in employer ranking in all countries</li> <li>5G coverage: &gt; 75%</li> <li>Fiber coverage: 40%, fiber connections: &gt; 3 mn</li> </ul>	<ul style="list-style-type: none"> <li>2024e</li> <li>2024e</li> <li>2024e</li> <li>2024e</li> </ul>
<b>Financials</b>	<ul style="list-style-type: none"> <li>Revenue growth: CAGR<sup>1</sup> &gt; 1%</li> <li>Adj. EBITDA AL growth: CAGR +1.5–2.5%</li> <li>Adj. indirect cost AL: Reduction by €0.3 bn</li> <li>Cash Capex stable</li> <li>ROCE further increasing, ROCE &gt; WACC</li> </ul>	<ul style="list-style-type: none"> <li>2020–2024e</li> <li>2020–2024e</li> <li>2020–2024e</li> <li>2020–2024e</li> <li>2021–2024e</li> </ul>

<sup>1</sup> Adjusted for MTR

# T-MOBILE US: Key messages



**Mission: Best in the world at connecting customers to their world. #1 in customer choice and customers' hearts.**

**01**

## Product leadership

Expand addressable markets and grow customer relationships

**04**

## Industry leading growth

Expand addressable markets and grow customer relationships

**02**

## Value leadership

Unlock the value potential of synergies and scale

**05**

## Deliver substantial enterprise value

Faster and bigger synergies while transforming the business

**03**

## Experience leadership

Deliver the best experience from the best team

**06**

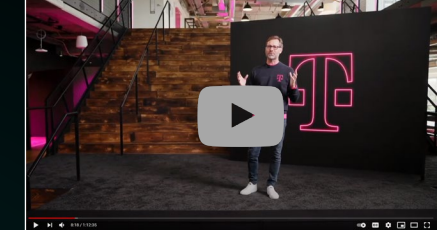
## Position for longterm success

Sustain 5G leadership, strong brand, and best customer experience



*See also the TMUS Analyst Day from March 11, 2021*

# T-MOBILE US: DELIVERING MORE THAN EXPECTED



## Core Adjusted EBITDA<sup>1</sup>



## Capital Expenditures



## Free Cash Flow



<sup>1</sup>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.



# T-MOBILE US: Midterm ambition level



	Midterm ambition level	Year
<b>Customers</b>	<ul style="list-style-type: none"><li>▪ Smaller markets and rural market share: nearly 20%</li><li>▪ B2B market share: nearly 20%</li><li>▪ Home Broadband: 7-8 million</li></ul>	<ul style="list-style-type: none"><li>▪ 2026e</li><li>▪ 2026e</li><li>▪ 2026e</li></ul>
<b>Network</b>	<ul style="list-style-type: none"><li>▪ 5G population coverage:<ul style="list-style-type: none"><li>▪ Extended range (mid-band spectrum): 97%</li><li>▪ Ultra capacity (mid-band + mmWave spectrum): 250m</li></ul></li></ul>	<ul style="list-style-type: none"><li>▪ 2022e</li><li>▪ 2022e</li></ul>
<b>Financials</b>	<ul style="list-style-type: none"><li>▪ Core adj. EBITDA: \$31-32 bn</li><li>▪ Capex: \$9-10 bn</li><li>▪ Free cash flow: \$16-18 bn</li><li>▪ Leverage: mid-2x core adj. EBITDA</li></ul>	<ul style="list-style-type: none"><li>▪ 2024e</li><li>▪ 2024e</li><li>▪ 2024e</li></ul>
<b>Shareholder returns</b>	<ul style="list-style-type: none"><li>▪ Shareholder returns: 60 bn \$</li></ul>	<ul style="list-style-type: none"><li>▪ 2023-2025e</li></ul>



*See also the TMUS Analyst Day from March 11, 2021*

# TECHNOLOGY & INNOVATIONS: 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 increase energy efficiency in network production by 50%.

# 05

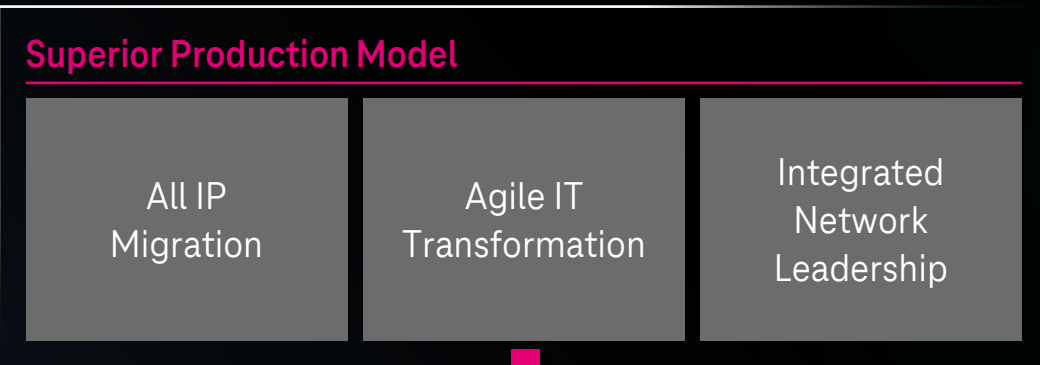
## Experience obsession

Experience-obsessed, focused innovation and new products will leverage our superior networks.



# TECHNOLOGY & INNOVATIONS: We evolve towards an experience-obsessed tech player

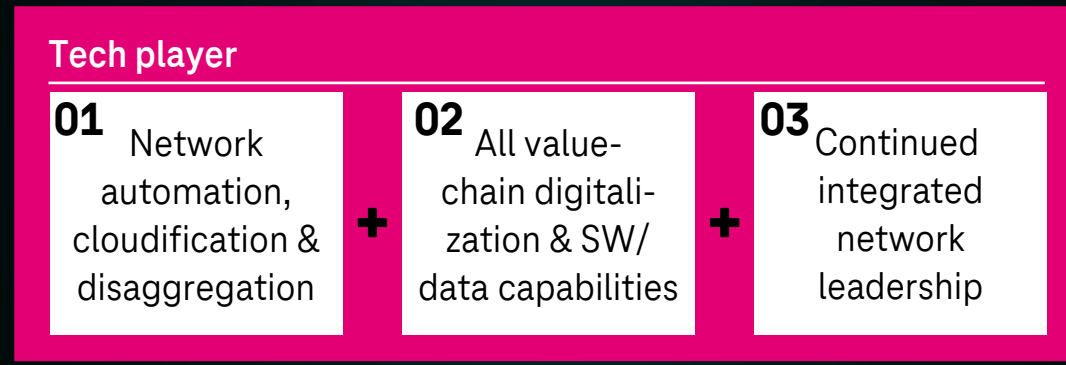
**FROM** a reliable network builder & operator



- 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



**04 Green**  
Path to carbon neutrality<sup>1</sup> – Energy efficient

**05 Experience-obsessed**

Best connectivity experience	Seamless interplay at home	Beyond the core
------------------------------	----------------------------	-----------------

<sup>1</sup> CO<sub>2</sub> neutral scope 1&2 in 2025, scope 3 in 2040, addressed in RfPs with high priority

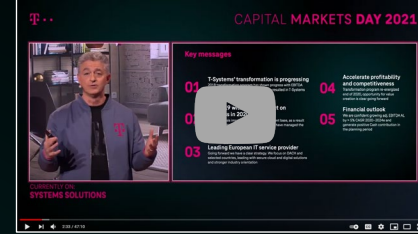
# TECHNOLOGY & INNOVATIONS: Midterm ambition level



	Midterm ambition level	Year
<b>Technology leadership</b>	<ul style="list-style-type: none"> <li>Commitment to fiber rollout                             <ul style="list-style-type: none"> <li>GER: 10 mn HH passed</li> <li>EU: ≈10 mn HH passed</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>2024e</li> <li>2024e<sup>1</sup></li> </ul>
	<ul style="list-style-type: none"> <li>5G Pop coverage &amp; network leadership                             <ul style="list-style-type: none"> <li>GER: ≈97%</li> <li>EU: &gt; 75%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>2024e</li> <li>2024e</li> </ul>
	<ul style="list-style-type: none"> <li>Further enhancing 5G innovation leadership &amp; consumer experience</li> </ul>	<ul style="list-style-type: none"> <li>2024e<sup>2</sup></li> </ul>
<b>Value transformation</b>	<ul style="list-style-type: none"> <li>IT spend reduction: &gt; €0.2 bn</li> </ul>	<ul style="list-style-type: none"> <li>2020–2024e</li> </ul>
	<ul style="list-style-type: none"> <li>Time-to-market: 2.0 months</li> </ul>	<ul style="list-style-type: none"> <li>2024e</li> </ul>
	<ul style="list-style-type: none"> <li>Agile share of development: 100%</li> </ul>	<ul style="list-style-type: none"> <li>2024e</li> </ul>
	<ul style="list-style-type: none"> <li>Increase degree of cloudified production                             <ul style="list-style-type: none"> <li>NT: GER 67%; EU 42%</li> <li>IT: 80%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>2024e</li> <li>2024e</li> </ul>
	<ul style="list-style-type: none"> <li>Adj. indirect cost AL reduction (GER/GHS): €0.7 bn</li> </ul>	<ul style="list-style-type: none"> <li>2020–2024e</li> </ul>
	<ul style="list-style-type: none"> <li>Technology energy consumption (GER &amp; EU): stable</li> </ul>	<ul style="list-style-type: none"> <li>2020–2024e</li> </ul>

<sup>1</sup> AT, CZ, GR, HR, HU, ME, MK, SK (excl. RO & PL; FTTH/B & Docsis3.1)    <sup>2</sup> AT, CZ, GR, HR, HU, ME, MK, PL, SK (excl. RO)

# T-SYSTEMS: 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

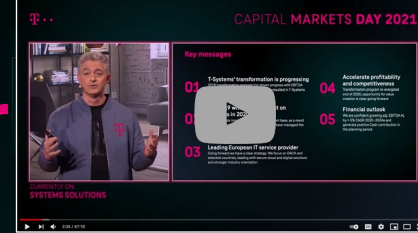
Transformation program re-energized end of 2020, opportunity for value creation is clear going forward

05


## Financial outlook


We are confident growing adj. EBITDA AL by > 5% CAGR 2020–2024e and generate positive Cash contribution in the planning period


# T-SYSTEMS: Leading European vertical full-service player





We will focus on select industries with vertical solution while providing compelling portfolio relevant to many industries

- 

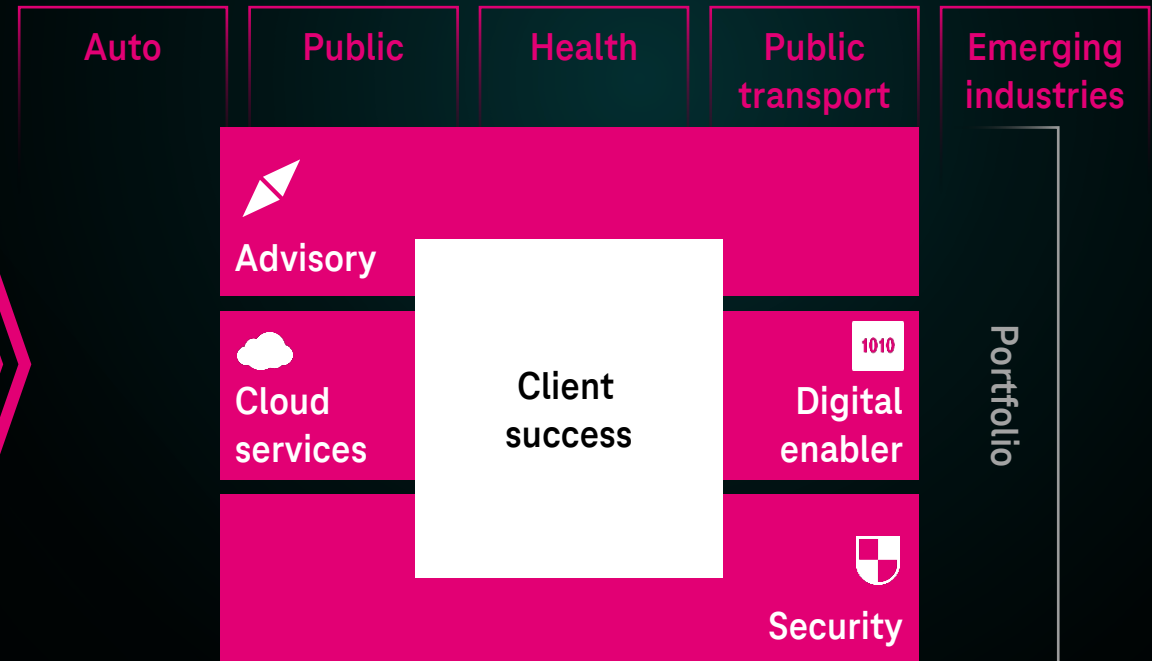
#1 IT Service provider in DACH, plus selected countries as core markets with ability to deliver globally
- 

Lead in 3–5 industries with focused vertical offerings – along with compelling horizontal portfolio for all industries
- 

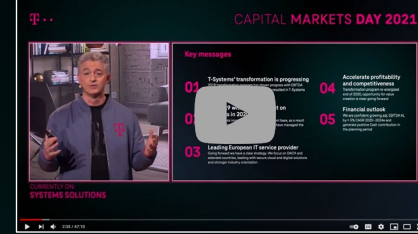
Expand into €1bn - €5bn revenue customer segment while growing existing client base
- 

Strong “local” partner on eye-level for our clients on their digital transformation journey
- 

Sovereignty and security at the core of our proposition



# T-SYSTEMS: Midterm ambition level



	Midterm ambition level	Year
Revenue CAGR	▪ slight growth	▪ 2020–2024e
Adj. EBITDA AL CAGR	▪ > 5%	▪ 2020–2024e
Adj. EBITDA AL margin	▪ 9%	▪ 2024e
Adj. Indirect cost AL reduction	▪ €0.2 bn	▪ 2020–2024e
Cash Capex	▪ stable	▪ 2020–2024e
Cash contribution AL <sup>1</sup>	▪ Break-even	▪ 2023e

<sup>1</sup> Cash contribution AL = Adj. EBITDA AL – Cash Capex – Special factors (Cash)

# GROUP DEVELOPMENT: Key messages



## 01

### Superior portfolio

Leading EU Telco plus best US MNO  
boosted by massive synergies

## 04

### Long-term perspective

US took 10 years, TMNL 5 years, said  
“no” to several tower deals below 20x

## 02

### Successful portfolio management

Track Record: Strato, Scout, TMUS, TMNL, Towers,  
FMC<sup>1</sup>

## 05

### Strategic optionality

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

## 03

### No dogma






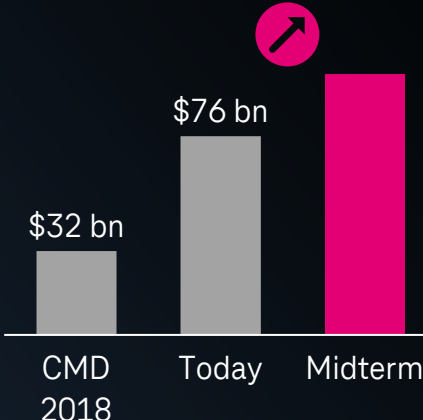
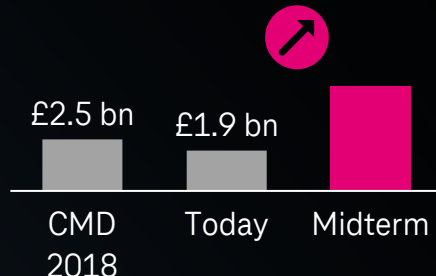
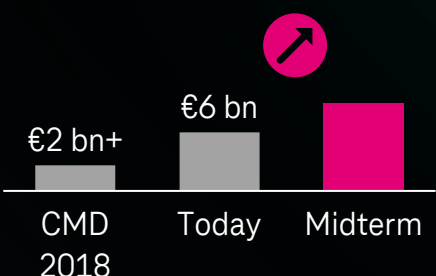
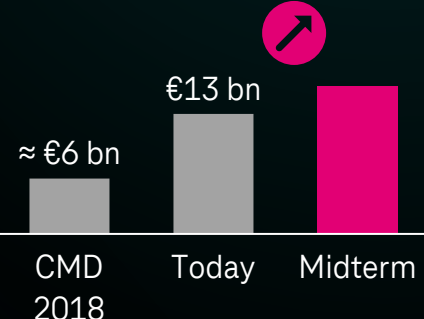
Focus on what drives value: TMUS, divest-to-invest,  
FMC<sup>1</sup> deals

<sup>1</sup> Fixed-Mobile Convergence





# GROUP DEVELOPMENT: We strive to grow asset values

ACCUMULATE	HOLD	REVIEW	REVIEW	ACCUMULATE
			 <b>GD Towers</b>	 <b>DTCP</b>
<ul style="list-style-type: none"> <li>✓ Deal closed</li> <li>✓ FCF upgrade</li> <li>✓ Network leader</li> </ul>	<ul style="list-style-type: none"> <li>✓ Long-term FTTP regulation</li> <li>✓ Pricing rationality</li> </ul>	<ul style="list-style-type: none"> <li>✓ Best network, #1 B2C, fastest B2B growth</li> <li>✓ FMC push, alternative FTTH access</li> <li>✓ Tele2/Simpel M&amp;A</li> <li>✓ Towers divestiture</li> </ul>	<ul style="list-style-type: none"> <li>✓ Unique portfolio, tier #1 MNO anchor</li> <li>✓ Market-leading financials</li> <li>✓ M&amp;A patience rewarded – value doubled</li> </ul>	<ul style="list-style-type: none"> <li>✓ Top quartile performance</li> <li>✓ Raise external capital to build scale</li> <li>✓ Set up innovative Infra-Fund</li> </ul>
				<p>€0.5 bn capital gain  <b>3<sup>rd</sup> Growth Fund – €400 mn</b>  <b>New Infra fund<sup>1</sup> – &gt; €1 bn</b></p>

Source Capital IQ, May 14<sup>th</sup>, 2021 <sup>1</sup> Managed by Digital Transformation Capital Partners



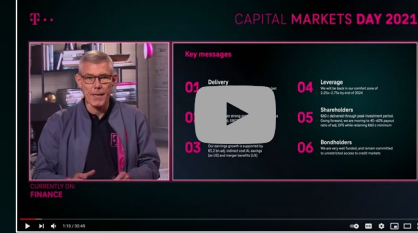
# GROUP DEVELOPMENT: Midterm ambition level



	Midterm ambition level	Year
TMNL	<ul style="list-style-type: none"> <li># Consumer fixed households: ≈0.9 mn</li> <li>FMC penetration of branded T-Mobile customer base: &gt; 40%</li> <li>Digital channel share of customer transactions: &gt; 50%</li> </ul>	<ul style="list-style-type: none"> <li>2024e</li> <li>2024e</li> <li>2024e</li> </ul>
GD Towers	<ul style="list-style-type: none"> <li># New sites: number of new builds: ≈6k</li> <li># Extensions: amount of site extensions: &gt; 15k</li> <li>Growth in rec. 3<sup>rd</sup> party business – DT external revenue: CAGR &gt; 3%</li> <li>Site based Opex AL/site efficiency: Decrease vs. 2020</li> </ul>	<ul style="list-style-type: none"> <li>Cum 2021–2024e</li> <li>Cum 2021–2024e</li> <li>2020–2024e</li> <li>2024e</li> </ul>
Financials	<ul style="list-style-type: none"> <li>Revenue: CAGR &gt; 2%<sup>1</sup></li> <li>Adj. EBITDA AL: CAGR &gt; 4%</li> <li>Cash contribution AL<sup>2</sup>: CAGR &gt; 6%</li> </ul>	<ul style="list-style-type: none"> <li>2020–2024e</li> <li>2020–2024e</li> <li>2020–2024e</li> </ul>

<sup>1</sup> Revenue w/o regulatory impacts <sup>2</sup> Cash contribution AL = Adj. EBITDA AL – Cash Capex – Special factors (Cash)

# FINANCE: 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

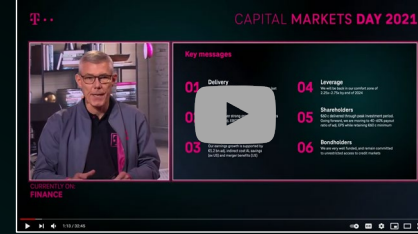
€60 c delivered through peak investment period. Going forward, we are moving to 40–60% payout ratio of adj. EPS while retaining €60 c minimum

06

## Bondholders

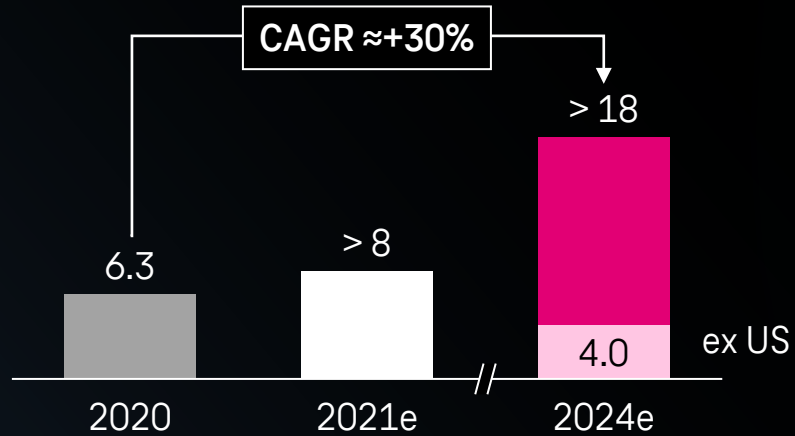
We are very well funded, and remain committed to unrestricted access to credit markets

# FINANCE: We will strongly grow the bottom line



## FCF AL<sup>1</sup>

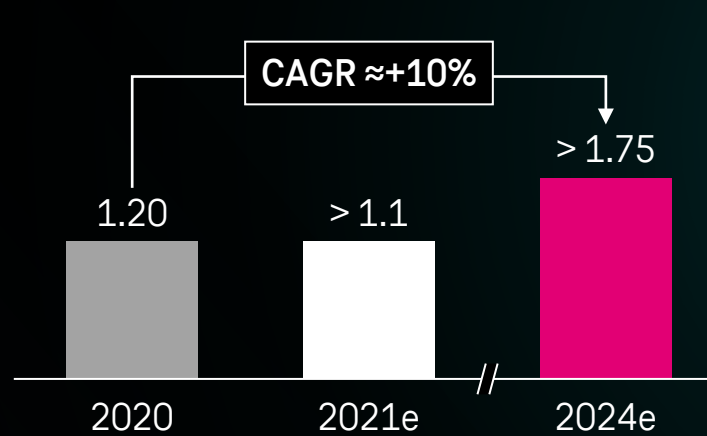
€ bn<sup>2</sup>



- US merger integration as main driver

## Adj. EPS

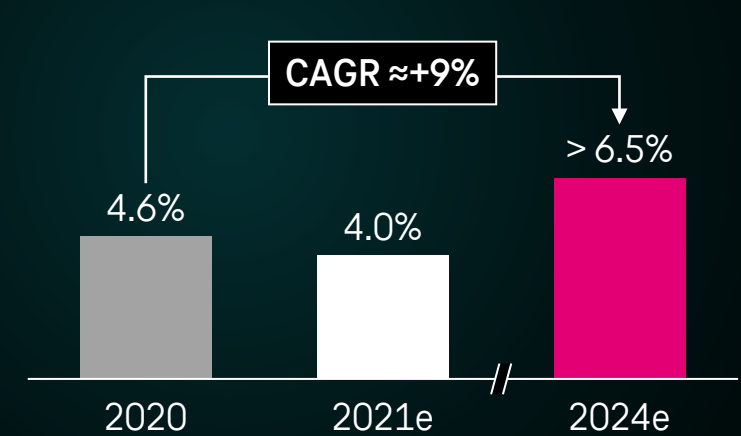
€/share<sup>2</sup>



- Steady growth from 2021 onwards

## ROCE

%<sup>2</sup>



- ROCE growth on both sides of the Atlantic

<sup>1</sup> Before dividend payments and spectrum invest, in 2020 also before Payer Swap & Zero Bond <sup>2</sup> Based on constant exchange rates (average exchange rate 2020 of €1 = US\$1.14)

# FINANCE: Midterm ambition level



	Midterm ambition level <sup>1</sup>	Year
Revenues	<ul style="list-style-type: none"> <li>Group: CAGR +1–2%</li> </ul>	<ul style="list-style-type: none"> <li>2020–2024e</li> </ul>
Total service revenues	<ul style="list-style-type: none"> <li>Group: CAGR +3–4%</li> </ul>	<ul style="list-style-type: none"> <li>2020–2024e</li> </ul>
Adj. EBITDA AL	<ul style="list-style-type: none"> <li>Group: CAGR +3–5%</li> <li>Ex US: CAGR +2–3%</li> </ul>	<ul style="list-style-type: none"> <li>2020–2024e</li> <li>2020–2024e</li> </ul>
Adj. Core EBITDA AL	<ul style="list-style-type: none"> <li>Group: CAGR +5–6%</li> </ul>	<ul style="list-style-type: none"> <li>2020–2024e</li> </ul>
FCF AL	<ul style="list-style-type: none"> <li>Group: &gt; €18 bn</li> <li>Ex US: €4 bn</li> </ul>	<ul style="list-style-type: none"> <li>2024e</li> <li>2024e</li> </ul>
Adj. EPS	<ul style="list-style-type: none"> <li>&gt; €1.75</li> </ul>	<ul style="list-style-type: none"> <li>2024e</li> </ul>
ROCE	<ul style="list-style-type: none"> <li>&gt; 6.5%</li> </ul>	<ul style="list-style-type: none"> <li>2024e</li> </ul>
Cash Capex	<ul style="list-style-type: none"> <li>Ex US: ≈€8.2 bn</li> </ul>	<ul style="list-style-type: none"> <li>2024e</li> </ul>
Adj. indirect cost AL	<ul style="list-style-type: none"> <li>Ex US: -€1.2 bn (net savings)</li> </ul>	<ul style="list-style-type: none"> <li>2020–2024e</li> </ul>
Shareholder remuneration policy <sup>2</sup>	<ul style="list-style-type: none"> <li>Adj. EPS payout ratio 40–60%, Floor €60 c</li> </ul>	<ul style="list-style-type: none"> <li>2021e–2024e</li> </ul>

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

# CAPITAL MARKETS DAY 2021 (May 20/21, 2021)

Company Corporate Responsibility **Investor Relations** Media Careers Blog.Telekom

Home > Investor Relations > Publications > Capital Markets Days > Capital Markets Day 2021

## CAPITAL MARKETS DAY 2021

Bonn, May 20<sup>th</sup>/21<sup>st</sup>

The Capital Markets Day 2021 took place on May 20/21 in Deutsche Telekom's headquarters in Bonn. On this page you find all documents and the recordings of each of the nine sessions. In every presentation, first the results since the previous **Capital Markets Day three years ago** are presented, then the strategy for the upcoming three years until 2024 is laid out and finally the targets for the coming three years are given. After that, our management answered questions from the participants. In case you have questions, please don't hesitate to contact us. You find our contact details at the end of this page.

The key message of this Capital Markets Day was: We accelerate our growth. For an overview on the most important messages see the [media release](#).

### Accelerating our path to value creation

ORGANIC GROWTH	CAPITAL ALLOCATION/PORTFOLIO	SHAREHOLDER VALUE																
<ul style="list-style-type: none"> <li>Our <b>flywheel works</b></li> <li>Proven <b>execution</b></li> </ul> <p>DT group ambitions</p> <table border="1"> <tr> <td>Revenue CAGR</td> <td>adj. EBITDA AL CAGR</td> <td>FCF AL</td> <td>ROCE</td> </tr> <tr> <td>1-2%</td> <td>3-5%</td> <td>&gt; €18 bn</td> <td>&gt; 6.5%</td> </tr> <tr> <td colspan="2">2020-2024e</td> <td colspan="2">2024e</td> </tr> </table>	Revenue CAGR	adj. EBITDA AL CAGR	FCF AL	ROCE	1-2%	3-5%	> €18 bn	> 6.5%	2020-2024e		2024e		<ul style="list-style-type: none"> <li>Invest in "leading" Fiber &amp; 5G networks... and <b>monetize</b></li> <li>Focus on structurally <b>healthy markets only</b></li> <li>Secure <b>US majority (&gt; 50%)</b></li> <li><b>Deleverage &amp; return to corridor in 2024</b></li> <li><b>Strategic reviews</b> for TMNL &amp; Towers</li> </ul>	<p>Adj. EPS €/share</p> <table border="1"> <tr> <td>&gt; 1.10</td> <td>&gt; 1.75</td> </tr> <tr> <td>2021e</td> <td>2024e</td> </tr> </table> <p>Dividends</p> <p><b>40-60%</b> of adj. EPS, with minimum of €60 c</p>	> 1.10	> 1.75	2021e	2024e
Revenue CAGR	adj. EBITDA AL CAGR	FCF AL	ROCE															
1-2%	3-5%	> €18 bn	> 6.5%															
2020-2024e		2024e																
> 1.10	> 1.75																	
2021e	2024e																	

Visit [www.telekom.com/cmd21](http://www.telekom.com/cmd21)

- All presentations in separate and as all-in-one
- Links to all recordings & the playlist
- Transcript for all sessions
- This document and the agenda of the two days
- Profiles of the presenters
- Links to previous Capital Markets Days

Contact the [Investor Relations Team](#)

Feel free to contact us in case of any questions!

- [investor.relations@telekom.de](mailto:investor.relations@telekom.de)
- +49 228 181 88880
- Visit [www.telekom.com/ir-contacts](http://www.telekom.com/ir-contacts) for individual contacts