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MEDIA INFORMATION

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Deutsche Telekom achieves its targets in the 2023 financial year and expects further growth

- Net revenue for 2023 up organically by 0.6 percent to nearly 112 billion euros. Service revenue rises 3.6 percent organically
- Adjusted EBITDA AL up 4.0 percent in organic terms to 40.5 billion euros
- Annual guidance achieved on a like for like basis
- Free cash flow AL of 16.1 billion euros over 40 percent higher than in 2022
- Net profit more than doubled to 17.8 billion euros
- Germany: customer growth in all areas
- United States: industry-leading growth
- Europe: Growth continues strongly
- 2024 guidance: Adjusted EBITDA AL to grow 6 percent to around 42.9 billion euros, free cash flow AL to increase 16 percent to around 18.9 billion euros, adjusted earnings per share to reach more than 1.75 euros

Deutsche Telekom reached its targets in 2023, which had been raised several times over the course of the year. Net revenue increased by 0.6 percent in organic terms – i.e., excluding exchange rate fluctuations and changes in the composition of the Group – to 112.0 billion euros. The more important service revenues grew 3.6 percent in organic terms to 92.9 billion euros.

Adjusted EBITDA AL increased by 4.0 percent in organic terms to 40.5 billion euros. Based on the exchange rates and the composition of the Group assumed in the guidance, adjusted EBITDA AL reached 41.1 billion euros. Core EBITDA AL adjusted for the effects from terminal equipment leasing in the United States increased by 6.9 percent in organic terms year-on-year



to 40.2 billion euros. The Group's free cash flow AL increased by 40.7 percent year-on-year to 16.1 billion euros in 2023.

“In a world with many challenges, we again delivered with our usual reliability in 2023,” said Tim Höttges, CEO of Deutsche Telekom. “Thanks to our growing businesses on both sides of the Atlantic, we are confident we will up the ante yet again in 2024.”

At 17.8 billion euros, reported net profit was more than twice as high as in 2022. The main driver was the proceeds from the sale of the majority stake in the cell tower business in Germany and Austria (GD Towers). Taking the fourth quarter of 2023 on its own, there was a loss of 1.0 billion euros, driven primarily by purely interest rate-based impairment losses on the remaining shareholding in GD Towers. Adjusted net profit stood at 7.9 billion euros in 2023, 12.6 percent down against the prior-year level, negatively impacted by non-recurring effects in other financial income/expense.

The Board of Management had announced a proposed dividend of 77 cents per share back in November, on the basis of recurring adjusted earnings per share of 1.60 euros, compared with 1.51 euros per share in the prior year. In addition, shares worth up to 2 billion euros are to be bought back in 2024. These share buy-backs have already begun.

In the guidance for 2024, the Group expects adjusted EBITDA AL to increase by around 6 percent to around 42.9 billion euros. Free cash flow AL is expected to increase by around 16 percent to around 18.9 billion euros. For adjusted earnings per share, Deutsche Telekom expects an increase of around 10 percent to more than 1.75 euros.

Germany: customer growth in all areas

On its domestic market, Deutsche Telekom recorded positive trends in the past year in all areas. Mobile branded contract customer additions amounted to 1.2 million in 2023. The success of the family rate plans continued. The important mobile service revenues also continued to grow, by 3.2 percent in the fourth quarter compared with the same period of the prior year.

In the fixed network, the number of broadband customers grew by more than 300,000 to 15.0 million over the course of the year compared with 2022. For MagentaTV, the increase was



more than 200,000 to 4.3 million. Deutsche Telekom once again kept up its momentum in the build-out of its fiber network in Germany. Around 8 million households were able to get a pure fiber line (FTTH) from Deutsche Telekom as of year-end, 2.6 million more than at the end of 2022.

In the Germany operating segment, total revenue rose by 2.8 percent in 2023 to 25.2 billion euros. The increase in adjusted EBITDA AL was even more substantial at 4.1 percent, rising to 10.2 billion euros. In organic terms, revenue grew by 2.1 percent and adjusted EBITDA AL by 3.0 percent.

United States: industry-leading growth

In 2023, T-Mobile US' customer base once again recorded the largest growth in the industry. The company recorded postpaid customer additions of 5.7 million, 3.1 million of these were postpaid phone customer additions. The number of customers who opted for the fixed-network high-speed internet substitute product stood at 4.8 million as of year-end, 2.1 million higher than at the end of 2022. This is on track for the 2025 target of 7 to 8 million.

T-Mobile US' service revenues stood at 63.3 billion U.S. dollars for 2023, up 3.4 percent against 2022. Adjusted core EBITDA increased by 10.6 percent to 28.3 billion U.S. dollars.

For 2024, T-Mobile US expects the number of postpaid customers to increase by 5.0 to 5.5 million, as well as further growth in adjusted core EBITDA and free cash flow.

Deutsche Telekom's stake in T-Mobile US amounted to 50.7 percent as of January 31, 2024.

Europe: Growth continues strongly

The Europe segment has recorded organic profit growth in every single quarter for six years now. For the 2023 full year, adjusted EBITDA AL recorded organic growth of 2.8 percent, increasing to 4.1 billion euros. At the same time, revenue increased compared to 2022 by 4.8 percent in organic terms to 11.8 billion euros.

Customer growth also continued in Europe. In the 2023 full year, there were 746,000 new mobile contract customers, taking the base to 27.2 million as of year-end. The number of



broadband lines increased by 307,000 compared with 2022 to 7.0 million. At the end of 2023, 4.3 million customers were using TV offers, 152,000 more than a year earlier.

Systems Solutions: revenue growth in the full year

T-Systems looks back on a year of revenue growth. Revenue increased on an organic basis by 5.3 percent to 3.9 billion euros. Digital Solutions recorded substantial growth. Adjusted EBITDA AL increased by 10.0 percent in organic terms in the full year to 321 million euros.

Order entry decreased in organic terms in 2023, down 4.9 percent to 3.6 billion euros. However, there was an increase of 20.1 percent in the fourth quarter.



The Deutsche Telekom Group at a glance

	Q4 2023 millions of €	Q4 2022 millions of €	Change %	FY 2023 millions of €	FY 2022 millions of €	Change %
Net revenue	29,369	29,800	-1.4	111,985	114,413	-2.1
Proportion generated internationally %	77.0	78.0	-1.0p	77.0	77.9	-0.9p
Service revenue	23,894	23,732	0.7	92,919	91,988	1.0
Adjusted EBITDA	11,619	11,495	1.1	46,831	46,410	0.9
Adjusted EBITDA AL	10,009	9,964	0.5	40,497	40,208	0.7
Net profit (after non-controlling interests)	-1,035	1,014	n.a.	17,788	8,001	n.a.
Adjusted net profit (after non-controlling interests)	1,826	1,987	-8.1	7,940	9,081	-12.6
Earnings per share €	-0.21	0.20	n.a.	3.57	1.61	n.a.
Adjusted earnings per share €	0.37	0.40	-7.5	1.60	1.83	-12.6
Free cash flow AL	4,352	2,026	n.a.	16,141	11,470	40.7
Cash capex ^a	4,164	5,906	-29.5	17,866	24,114	-25.9
Cash capex ^a (before spectrum)	3,348	5,794	-42.2	16,591	21,019	-21.1
Net debt (including leases)				132,279	142,425	-7.1
Number of employees ^b				199,652	206,759	-3.4
Of which in Germany				78,600	81,469	-3.5



Comments on the table

Sale of T-Mobile Netherlands

The sale of T-Mobile Netherlands was consummated on March 31, 2022. The entity has not been part of the Group since April 1, 2022.

New partners for the cell tower business

On July 13, 2022, Deutsche Telekom agreed to sell a 51.0 percent stake in in the tower business companies in Germany and Austria (GD Towers) to DigitalBridge and Brookfield. The transaction was consummated on February 1, 2023. Until this point in time, GD Towers had been included as a fully consolidated entity in the figures of the Deutsche Telekom Group. GD Towers is no longer included in the figures for the fourth quarter of 2023. In the reported prior-year comparatives (Q4 2022), however, the cell tower business is included for the full three months. In contrast, GD Towers is not included in the same period for 2022 for statements concerning the organic development of revenue and earnings of the Group. GD Towers is also not included in the Group guidance for the full year 2023.

The sale resulted in a gain on deconsolidation in the first quarter of 2023 of 12.9 billion euros. The stake in the cell tower business retained by Deutsche Telekom of 49.0 % has been recognized using the equity method since February 1, 2023. Accordingly, the share of net profit/loss is recognized under profit/loss from financial activities (outside of EBITDA AL).

The GD tower company DFMG Deutsche Funkturm GmbH continues to build and operate infrastructure for Deutsche Telekom's mobile network.

a) Cash outflows for investments in property, plant, and equipment, and intangible assets (excluding goodwill).

b) At reporting date.



Operating segments: development of operations

	Q4 2023 millions of €	Q4 2022 millions of €	Change %	FY 2023 millions of €	FY 2022 millions of €	Change %
Germany						
Total revenue	6,589	6,361	3.6	25,187	24,505	2.8
Adjusted EBITDA AL	2,583	2,479	4.2	10,238	9,837	4.1
United States						
Total revenue	18,981	19,800	-4.1	72,436	75,436	-4.0
<i>in USD</i>	20,429	20,210	1.1	78,340	79,348	-1.3
Adjusted EBITDA AL	6,528	6,416	1.7	26,409	25,614	3.1
<i>in USD</i>	7,027	6,546	7.3	28,567	26,963	5.9
Europe						
Total revenue	3,112	2,899	7.3	11,790	11,158	5.7
Adjusted EBITDA AL	1,011	956	5.8	4,114	3,964	3.8
Systems Solutions						
Order entry	1,386	1,182	17.3	3,628	3,952	-8.2
Total revenue	1,031	1,014	1.7	3,896	3,811	2.2
Adjusted EBITDA AL	76	54	40.7	321	284	13.0



Operating segments: development of customer numbers in the fourth quarter of 2023

	Dec. 31, 2023	Sept. 30, 2023	Change thousands	Change %
Germany				
Mobile customers	61,419	59,778	1,641	2.7
Of which contract customers	25,171	24,811	360	1.5
Fixed-network lines	17,342	17,352	-10	-0.1
Broadband lines	15,018	14,952	66	0.4
Of which optical fiber ^a	12,893	12,620	273	2.2
Television (IPTV, satellite)	4,327	4,259	68	1.6
Unbundled local loop lines (ULLs)	2,527	2,690	-163	-6.1
United States				
Customers	119,700	117,907	1,793	1.5
Of which postpaid customers	98,052	96,312	1,740 ^b	1.8
Of which prepaid customers	21,648	21,595	53	0.2
Europe				
Mobile customers	47,853	47,949	-96	-0.2
Of which contract customers	27,222	26,976	246	0.9
Fixed-network lines	8,020	7,995	25	0.3
Broadband customers	6,989	6,913	76	1.1
Television (IPTV, satellite, cable)	4,283	4,246	37	0.9

Comments on the table

a) Sum of all FTTx access lines (e.g., FTTC/VDSL, vectoring, and FTTH/B).

b) Of which 170,000 due to base adjustments.



Operating segments: development of customer numbers in year-on-year comparison

	Dec. 31, 2023	Dec. 31, 2022	Change thousands	Change %
Germany				
Mobile customers	61,419	54,249	7,170	13.2
Of which contract customers	25,171	23,791	1,380	5.8
Fixed-network lines	17,342	17,363	-21	-0.1
Broadband lines	15,018	14,715	303	2.1
Of which optical fiber ^a	12,893	12,112	781	6.4
Television (IPTV, satellite)	4,327	4,122	205	5.0
Unbundled local loop lines (ULLs)	2,527	3,136	-609	-19.4
United States				
Customers	119,700	113,598	6,102	5.4
Of which postpaid customers	98,052	92,232	5,820 ^b	6.3
Of which prepaid customers	21,648	21,366	282	1.3
Europe				
Mobile customers	47,853	47,336	517	1.1
Of which contract customers	27,222	26,476	746	2.8
Fixed-network lines	8,020	7,904	116	1.5
Broadband customers	6,989	6,682	307	4.6
Television (IPTV, satellite, cable)	4,283	4,131	152	3.7

Comments on the table

a) Sum of all FTTx access lines (e.g., FTTC/VDSL, vectoring, and FTTH/B).

b) Of which 170,000 due to base adjustment.



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