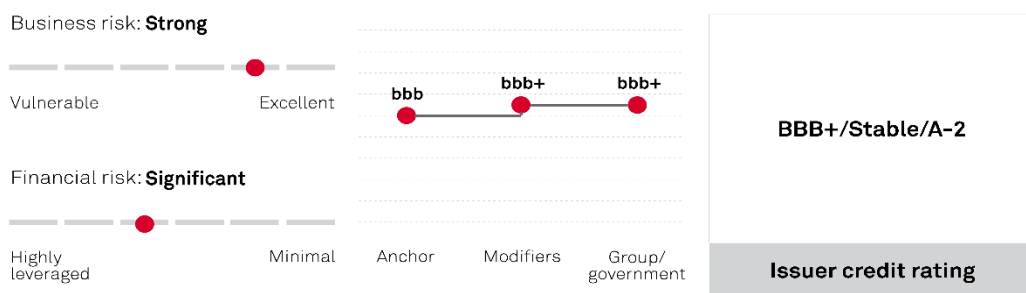


# Deutsche Telekom AG

June 15, 2023

## Ratings Score Snapshot



### Primary contact

**Sandra Wessman**  
Stockholm  
46-84-40-5910  
sandra.wessman  
@spglobal.com

### Secondary contact

**Xavier Buffon**  
Paris  
33-14-420-6675  
xavier.buffon  
@spglobal.com

## Credit Highlights

### Overview

#### Key strengths

Leading position in fixed and mobile segments in the German telecom market, and a controlling stake in the No.2 U.S. mobile operator T-Mobile U.S. (TMUS) with strong spectrum holdings.

Rational competition in the domestic mobile market, with three established and an emerging fourth mobile network operator, and rational pricing and predictable conditions in fixed broadband.

High-quality mobile network in Germany and a widespread super-vectoring fixed-line broadband network that is gradually complemented with the fiber-to-the-home (FTTH) roll-out.

Diversification and growth opportunities underpinned by leading positions in several European fixed and mobile markets.

#### Key risks

DT has exceeded the upper limit of its 2.25x-2.75x net debt to EBITDA corridor since the acquisition of Sprint in 2020. However we estimate the ratio remains below 3.5x (S&P Global Ratings adjusted) since end-2022 and will return to the corridor by the end of 2024.

Pressure on free cash flow generation in Europe, reflecting likely high capital expenditure (capex) in Germany and Europe, averaging about 18% and 15% of sales respectively, excluding spectrum, over 2023-2024, reflecting hefty spending on the FTTH roll-out.

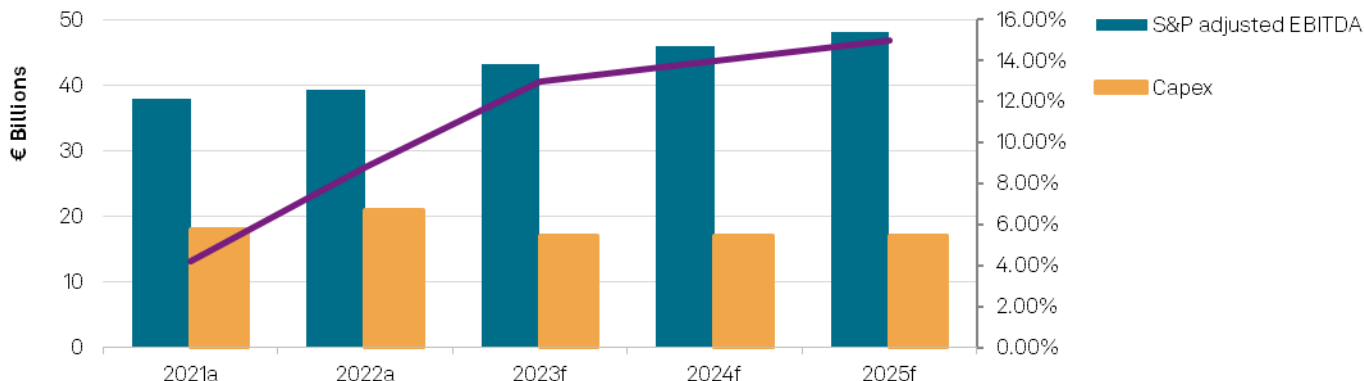
**The business environment in Deutsche Telekom AG's (DT) largest markets is supportive.** The company has a strong, well-established incumbent position within Germany, which contributes about a quarter of the group's reported EBITDA. In the fixed-line broadband market, we expect DT to maintain its dominant position and to be able to expand average revenue per user (ARPU) over time supported by its ongoing FTTH build-out. In the mobile market, which we view as rational, the only gradual ramping-up of a fourth player (1&1) has not created market turmoil. Furthermore, in the U.S., DT has a solid position through its controlled, fully consolidated subsidiary TMUS, which contributes around 65% of the group's reported EBITDA. TMUS benefits from its superior spectrum holding, first-mover advantage in 5G, and synergies from the merger with Sprint.

**Synergies and fewer one-off costs at TMUS will drive strong improvement in DT's S&P Global Ratings-adjusted EBITDA margin.** We expect DT's adjusted EBITDA margin to approach 40% during 2023, a sharp improvement from 34.7% in 2022. The improvement is primarily driven by TMUS, which posted an improvement in its adjusted EBITDA margin during first-quarter 2023 to about 42.0%, compared with 34.0% during first-quarter 2022. The improvement stems from DT's solid progress toward the targeted US\$8.0 billion of annualized synergies by 2024 following the Sprint merger, as well as a decline in related costs. In addition, we expect the healthy growth in service revenue across geographies to be able to mitigate any cost pressure from inflation.

**We expect capex to slow down and DT to shift its focus from the 5G rollout in the U.S. to the fiber to the home (FTTH) rollout in Europe.** We think DT's capex will drop to about 14%-16% of sales in 2023 from 18.4% in 2022. This primarily relates to a drop in capex in the U.S., from about US\$13 billion in 2022 to US\$9.5 billion, following years of heavy investments in 5G network, which now covers 98% of the American population. However, we expect the fiber rollout in Germany to intensify because DT has targeted increasing FTTH coverage by 2.5 million homes in 2023. We also expect FTTH investments in the European portfolio, because the company targets 10 million homes passed by 2024, up from 8.2 million in first-quarter 2023.

That said, we expect the normalization in capex and stronger adjusted EBITDA margin to drive an equally strong improvement in free operating cash flow (FOCF) to close to €20 billion on an S&P Global Ratings-adjusted basis (and excluding spectrum payments), from €11.7 billion in 2022 and €5.9 billion in 2021. In addition, DT is rolling out fiber investments in rural areas through off-balance-sheet joint ventures, but we think they are insufficient for us to adjust the company's metrics pro rata in the foreseeable future.

Improving EBITDA and reducing capex will help FOCF/debt to grow



Source: S&P global Ratings; a--actuals, e--estimate, f--forecast, FOCF--free operating cash flow  
 Copyright © 2023 by Standard & Poor's Financial Services LLC. All rights reserved.

**During the first quarter of 2023, DT accomplished two milestones: it reached a 50% ownership in TMUS and completed the sale of a 51% stake in GD Towers.** DT passed the 50% ownership mark in TMUS primarily by abstaining from participating at the share buybacks conducted at the U.S. entity in recent quarters. However, like DT, we already fully consolidate TMUS; so the majority stake has a limited impact on our credit metric. That said we expect the company to continue increasing its ownership during 2023, to allow for a majority cushion. DT has authorized a \$14 billion share buyback program, of which about \$7.8 billion was utilized at the end of first-quarter 2023. DT's 51% sale in GD Towers resulted in cash inflow of €10.7 billion during first-quarter 2023, but it also led to an increase in reported operating lease liabilities of about €5.0 billion (a net increase of €3.0 billion as ground leases would be lost). In addition, the remaining 49% stake will be deconsolidated but over time will likely generate dividends, which we expect to add to our adjusted EBITDA.

**We expect DT to reach its financial leverage corridor of 2.25x-2.75x by late 2024 or early 2025.** This is given the improved free cash flow profile, which we expect will lead to adjusted free cash flow approaching €20 billion over the forecast period, and the completion of several milestones. In our view, DT has the capacity and flexibility to be back in the upper end of its leverage corridor during 2024 of net debt to EBITDA of 2.25x-2.75x (2.5x-3.0x adjusted).

## Outlook

The stable outlook indicates our expectation that DT will expand its adjusted EBITDA margin toward 40%, while capex will decline toward 15% of sales, which in our view should lead to annual FOCF approaching €20 billion and leverage comfortably below 3.5x.

### Downside scenario

We could lower the rating if DT fails to sufficiently strengthen credit metrics so leverage rebounds above 3.5x. This could stem from a more aggressive financial policy than we currently foresee, or any material operational setbacks.

### Upside scenario

We could raise the rating if DT's cash flow metric improves to the extent that the funds from operations (FFO) exceeds 30% of debt and free cash flow exceeds 15% of debt, while at the same time deleveraging to below 3.0x.

## Our Base-Case Scenario

### Assumptions

- In the U.S. we expect real GDP growth of 0.7% in 2023 and 1.2% 2024, compared with 2.1% 2022, and consumer price index (CPI) growth of 4.2% in 2023 and 2.4% 2024, compared with 8.0% in 2022.
- In the eurozone, we expect real GDP growth of 0.3% in 2023 and 1.0% in 2024, compared with 3.5% in 2022; and CPI growth of 6.0% in 2023 and 2.7% 2024, compared with 8.4% in 2022.
- Annual revenue growth of 2%-3% on a currency-adjusted basis over the next two years, stemming primarily from strong service revenue growth in the U.S. and fixed broadband growth in Germany.
- A gradual strengthening of the adjusted EBITDA margin to over 40% by year-end 2024, compared with 34.9% in 2022. Growth in EBITDA will be primarily driven by strong momentum in the U.S., synergies from the merger with Sprint, and growing service revenue.
- Annual capex (excluding spectrum) at 14%-16% of sales in 2023-2025, compared with 18.4% in 2022.
- In 2023, we expect spectrum outlays of €3.5 billion for the 600 megahertz license in the U.S. Although the amount is uncertain, there are also upcoming spectrum auctions in Poland, the Czech Republic, and Romania.
- As of April 2023, DT held 50% of shares in TMUS. We expect DT will continue to increase its share of ownership over the next two years. DT has authorized a \$14 billion share buyback program, of which about \$7.8 billion was utilized at the end of first-quarter 2023.
- Annual dividends of €3.5 billion-€4.2 billion in 2023-2025.
- Like DT, we fully consolidate TMUS in our credit metrics.

### Key metrics

#### Deutsche Telekom AG--Key Metrics

Bil. €	2021a	2022a	2023f	2024f	2025f
US\$ exchange rate (annual average)	1.18	1.04	1.07	1.12	1.17
US\$ exchange rate (year end, Q4 avg.)	1.14	0.99	1.08	1.14	1.15
Revenue	108.8	114.2	113.8	112.3	112.6
Revenue growth (%)	7.7	5.0	(0.4)	(1.3)	0.3
EBITDA	38.3	39.9	43.8	46.4	48.5
EBITDA margin (%)	35.2	34.9	38.5	41.3	43.1
Capital expenditure (% of revenue)	16.5	18.4	15.0	15.0	15.0
Dividends	3.1	3.4	3.7	3.9	4.2
Debt to EBITDA (x)	3.8	3.6	3.3	3.0	3.0
Debt to EBITDA excluding debt at captive finance operations	3.6	3.5	3.2	2.9	2.8
Funds from operations to debt (%)	22.4	23.0	23.9	25.9	26.6
Funds from operations to debt (excluding debt at captive finance) (%)	23.3	23.9	24.9	27.0	27.7
Free operating cash flow to debt (%)	4	8.3	12.6	13.7	15.1
Free operating cash flow to debt (excluding debt at captive finance) (%)	4.2	8.8	13.3	14.4	15.9

All data adjusted by S&P Global Ratings.

FFO--Funds from operations. FOCF--Free operating cash flow, defined as cash flow from operations after investments in property, plant, and equipment, and intangible assets. a--Actual. f--Forecast.

## Company Description

DT is one of the world's largest telecommunications operators, with headquarters in Bonn, Germany. It mainly offers fixed and mobile telecommunication services to retail and business customers, as well as IT services. The company's geographic EBITDA split in 2022 was about 36% Europe (two-thirds in Germany) and about 64% U.S. DT's largest shareholder is the German state, which has a direct stake of 14% and an indirect stake of 17% held through the German government-owned bank KfW.

## Peer Comparison

We view DT's business risk profile as the strongest in the Europe, Middle East, and Asia (EMEA) telecoms sector, given its unique combination of a strong incumbent position in the German telecom market, strong market position in the U.S. through TMUS, particularly post the Sprint merger, and the additional diversification provided through its European business segment. Furthermore, we believe that the German market is characterized by rational mobile network pricing and predictable conditions in fixed-line broadband. The market is therefore benign compared with other large European markets that exhibit a higher degree of overlapping infrastructures and pricing pressures.

We regard, TMUS' business risk profile in the U.S as comparable with that of Verizon Communications Inc. and AT&T Inc, although we expect TMUS to continue to post lower margins than the peers (related to its lack of owned fixed -assets), given its strong mobile network assets.

### Deutsche Telekom AG--Peer Comparisons

	Deutsche Telekom AG	Orange S.A.	Vodafone Group PLC	Verizon Communications Inc.	AT&T Inc.
Foreign currency issuer credit rating	BBB+/Stable/A-2	BBB+/Stable/A-2	BBB/Positive/A-2	BBB+/Stable/A-2	BBB/Stable/A-2
Local currency issuer credit rating	BBB+/Stable/A-2	BBB+/Stable/A-2	BBB/Positive/A-2	BBB+/Stable/A-2	BBB/Stable/A-2
Period	Annual	Annual	Annual	Annual	Annual
Period ending	2022-12-31	2022-12-31	2022-03-31	2022-12-31	2022-12-31
Mil.	EUR	EUR	EUR	EUR	EUR
Revenue	114,197	43,471	45,580	127,145	112,417
EBITDA	39,858	14,314	20,064	49,445	46,368
Funds from operations (FFO)	33,287	12,212	17,287	41,093	36,418
Interest	5,720	1,050	2,054	6,070	7,742

**Deutsche Telekom AG--Peer Comparisons**

Cash interest paid	5,669	1,070	1,852	5,792	9,299
Operating cash flow (OCF)	36,016	11,915	17,114	37,064	40,459
Capital expenditure	23,989	8,576	9,060	19,703	17,153
Free operating cash flow (FOCF)	12,027	3,339	8,054	17,361	23,306
Discretionary cash flow (DCF)	8,642	1,067	2,954	7,251	10,755
Cash and short-term investments	5,772	5,846	15,427	2,437	3,463
Gross available cash	7,596	10,346	15,570	2,437	3,463
Debt	144,960	38,299	56,595	153,917	177,009
Equity	87,320	33,626	61,948	84,288	88,296
EBITDA margin (%)	34.9	32.9	44.0	38.9	41.2
Return on capital (%)	5.4	8.1	5.0	12.1	7.1
EBITDA interest coverage (x)	7.0	13.6	9.8	8.1	6.0
FFO cash interest coverage (x)	6.9	12.4	10.3	8.1	4.9
Debt/EBITDA (x)	3.6	2.7	2.8	3.1	3.8
FFO/debt (%)	23.0	31.9	30.5	26.7	20.6
OCF/debt (%)	24.8	31.1	30.2	24.1	22.9
FOCF/debt (%)	8.3	8.7	14.2	11.3	13.2
DCF/debt (%)	6.0	2.8	5.2	4.7	6.1

## Business Risk

DT's strong business risk reflects its market leadership position in the German broadband and mobile market. In mobile, the company has an over 30% market share, ahead of Telefonica O2 and Vodafone Group PLC. We do not foresee any major shifts in the next two years, given the only gradual ramping up of the fourth mobile operator, 1&1. Furthermore, DT has about 40% of fixed broadband market share. The ongoing deployment of FTTH could enhance the company's market share, given the ambitious build out program. We expect demand for higher speed fixed-line connections in Germany to catch-up with other western-European markets.

DT's No.2 position in the U.S. mobile market further supports its business position. We expect the company to be able to continue to grow its postpaid customer base and migrate customers to higher-rate premium plans. This is given its strong portfolio of spectrum, and the recent expansion and densification of its 5G network capabilities. In our view, DT's business position in the U.S. has strengthened following its solid execution on the integration of Sprint's network assets and its ownership of substantial spectrum.

## Financial Risk

We believe DT is prioritizing debt deleveraging to revert to its 2.25x-2.75x net debt-to-EBITDA comfort zone, which includes its fully consolidated U.S. operations. We think this could occur in 2024. We expect the high-end of the leverage corridor will correspond to an S&P Global Ratings-adjusted leverage of about 3.0x.

We also expect a substantial improvement in DT's FOCF over the next two years. This will stem from our expectation of growth in S&P Global Ratings adjusted EBITDA and lower capex in the U.S. That said, we still expect the S&P Global Ratings adjusted FFO and FOCF to remain below, but approaching, 30% and 15% of debt in 2023 and 2024.

## Debt maturities

## Deutsche Telekom AG (excluding the U.S.)--Debt Maturity As Of March 31, 2023

Year	Amount
2023	€2.4 billion
2024	€2.5 billion
2025	€1.5 billion
2026	€2.2 billion
2027	€3.6 billion
Thereafter	€18.3 billion

## Deutsche Telekom AG--Financial Summary

Period ending	Dec-31-2017	Dec-31-2018	Dec-31-2019	Dec-31-2020	Dec-31-2021	Dec-31-2022
Reporting period	2017a	2018a	2019a	2020a	2021a	2022a
Display currency (mil.)	EUR	EUR	EUR	EUR	EUR	EUR
Revenues	74,947	75,656	80,531	100,999	108,794	114,197
EBITDA	24,002	24,715	27,080	35,036	38,298	39,858
Funds from operations (FFO)	18,450	19,481	22,055	26,760	32,164	33,287
Interest expense	3,810	3,404	3,230	5,157	5,307	5,720
Cash interest paid	4,918	4,537	4,267	7,586	5,241	5,669
Operating cash flow (OCF)	19,456	19,934	22,832	24,361	31,868	36,016
Capital expenditure	19,318	12,202	14,014	18,360	26,154	23,989
Free operating cash flow (FOCF)	138	7,732	8,818	6,001	5,714	12,027
Discretionary cash flow (DCF)	(1,932)	3,387	5,008	2,934	2,569	8,642
Cash and short-term investments	3,319	3,679	5,393	12,939	7,617	5,772
Gross available cash	3,948	4,333	6,333	13,820	8,586	7,596
Debt	78,177	80,179	85,323	134,156	143,668	144,960
Common equity	42,470	43,437	46,231	72,550	81,468	87,320
Adjusted ratios						
EBITDA margin (%)	32.0	32.7	33.6	34.7	35.2	34.9
Return on capital (%)	7.8	6.9	7.3	5.4	4.9	5.4
EBITDA interest coverage (x)	6.3	7.3	8.4	6.8	7.2	7.0
FFO cash interest coverage (x)	4.8	5.3	6.2	4.5	7.1	6.9
Debt/EBITDA (x)	3.3	3.2	3.2	3.8	3.8	3.6
FFO/debt (%)	23.6	24.3	25.8	19.9	22.4	23.0
OCF/debt (%)	24.9	24.9	26.8	18.2	22.2	24.8
FOCF/debt (%)	0.2	9.6	10.3	4.5	4.0	8.3



## Deutsche Telekom AG--Financial Summary

DCF/debt (%)	(2.5)	4.2	5.9	2.2	1.8	6.0
--------------	-------	-----	-----	-----	-----	-----

## Reconciliation Of Deutsche Telekom AG Reported Amounts With S&amp;P Global Adjusted Amounts (Mil. EUR)

Financial year	Dec-31-2022	Shareholder Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Company reported amounts		109,372	48,558	114,197	43,047	15,414	5,679	39,858	35,819	3,385	24,114
Cash taxes paid		-	-	-	-	-	-	(902)	-	-	-
Cash interest paid		-	-	-	-	-	-	(5,544)	-	-	-
Trade receivables securitizations		1,943	-	-	-	-	-	-	322	-	-
Lease liabilities		38,792	-	-	-	-	-	-	-	-	-
Postretirement benefit obligations/ deferred compensation		4,057	-	-	37	37	82	-	-	-	-
Accessible cash and liquid investments		(5,325)	-	-	-	-	-	-	-	-	-
Capitalized interest		-	-	-	-	-	125	(125)	(125)	-	(125)
Share-based compensation expense		-	-	-	655	-	-	-	-	-	-
Asset-retirement obligations		1,277	-	-	-	-	(166)	-	-	-	-
Nonoperating income (expense)		-	-	-	-	(132)	-	-	-	-	-
Noncontrolling/ minority interest		-	38,762	-	-	-	-	-	-	-	-
Debt: Derivatives		(2,811)	-	-	-	-	-	-	-	-	-
Debt: other		(2,345)	-	-	-	-	-	-	-	-	-
EBITDA - Gain/(loss) on disposals of PP&E		-	-	-	(92)	(92)	-	-	-	-	-

## Reconciliation Of Deutsche Telekom AG Reported Amounts With S&amp;P Global Adjusted Amounts (Mil. EUR)

	Shareholder Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
EBITDA: Business divestments	-	-	-	(2,732)	(2,732)	-	-	-	-	-
EBITDA: other	-	-	-	(1,057)	(1,057)	-	-	-	-	-
D&A: Impairment charges/ (reversals)	-	-	-	-	944	-	-	-	-	-
Total adjustments	35,588	38,762	-	(3,189)	(3,032)	41	(6,571)	197	-	(125)
<b>S&amp;P Global Ratings adjusted</b>	<b>Debt</b>	<b>Equity</b>	<b>Revenue</b>	<b>EBITDA</b>	<b>EBIT</b>	<b>Interest expense</b>	<b>Funds from Operations</b>	<b>Operating cash flow</b>	<b>Dividends</b>	<b>Capital expenditure</b>
	144,960	87,320	114,197	39,858	12,382	5,720	33,287	36,016	3,385	23,989

## Liquidity

We assess DT's liquidity as strong based on our expectation that liquidity sources will exceed uses 1.5x in the 12 months starting March 31, 2023, and by more than 1.0x in the subsequent 12 months. In addition, we think DT enjoys a high standing in capital markets and has well-established and solid relationships with its banks.

### Principal liquidity sources

- Cash and liquid investments of about €7.5 billion (excluding the U.S.).
- €12.0 billion available under undrawn committed credit facilities which do not contain covenants nor material adverse clauses.
- Cash FFO (excluding the U.S.) of about €10.6 billion.

### Principal liquidity uses

- Debt maturities of about €3.3 billion over the 12 months ending March 31, 2024.
- Capex (excluding the U.S. and spectrum payments) of about €8.5 billion
- Dividend payments of €3.8 billion.

## Environmental, Social, And Governance

## ESG Credit Indicators

E-1	<b>E-2</b>	E-3	E-4	E-5	S-1	<b>S-2</b>	S-3	S-4	S-5	<b>G-1</b>	G-2	G-3	G-4	G-5
- N/A					- N/A					- Risk management, culture, and oversight				

ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicator Definitions And Applications," published Oct. 13, 2021. N/A--Not applicable.

Governance factors are a moderately positive consideration in our credit rating analysis of DT. This reflects DT's deep and broad management expertise and its strong operational track record, as illustrated by the company's successful diversification into the U.S.; the ongoing integration of Sprint within TMUS, which has gone smoothly so far; and the execution to date of DT's available options to regain a majority economic interest in the combined U.S. operations.

That said, cyber-attacks among U.S. telecommunication providers have increased in frequency, and T-Mobile has been hit by three such data breaches since 2021. The first occurred in August 2021 and as a result, the company agreed to settle a class action lawsuit for \$350 million in addition to incurring significant expenses to improve its cybersecurity. The latter two were smaller in scale and more-sensitive information, such as customer payment data, social security numbers, and government identification numbers, was not exposed. Nonetheless, it raises concerns around T-Mobile's ability to address these ongoing cyber-attacks, even though it had developed a more comprehensive strategy following its 2021 data breach.

## Government Influence

We do not factor in any support from the German government into our rating on DT because we see a low likelihood that Germany, which directly and indirectly controls about 32% of the company's DT's common shares, would provide timely and sufficient extraordinary government support in the event of financial distress.

## Issue Ratings--Subordination Risk Analysis

### Capital structure

At the end of the first quarter 2023, about 66% of DT's consolidated external debt was at the U.S. level, and the rest was mainly at the parent or fully owned subsidiary Deutsche Telekom International Finance B.V. The latter is used as a finance vehicle, and the parent guarantees its issuances. Based on the 50.2% existing economic stake of DT in TMUS, the structural subordination ratio was about 51%.

### Analytical conclusions

We do not notch down the debt issued at DT (parent) even though the structural subordination ratio now exceeds 50%. In our view, significant mitigants exist to the structural subordination. Firstly, we regard DT's majority stake in TMUS to be highly liquid, given TMUS is a listed company

and has considerable equity value (about €81 billion). This provides a strong cushion to the creditors at the parent level. Furthermore, in the situation of a default at TMUS, the European business would have significant network assets and contribute a substantial proportion of cash flow. We believe these assets and funds would be largely available to the parent's creditors, given the modest amount of priority debt in European subsidiaries. In addition, we regard the operations of TMUS and DTexUS as independent. Furthermore DT's debt is not cross-defaulted with its U.S. subsidiary's debt, and the latter does not benefit from any guarantee from the parent.

## Rating Component Scores

<b>Foreign currency issuer credit rating</b>	<b>BBB+/Stable/A-2</b>
<b>Local currency issuer credit rating</b>	<b>BBB+/Stable/A-2</b>
<b>Business risk</b>	<b>Strong</b>
Country risk	Very Low
Industry risk	Intermediate
Competitive position	Strong
<b>Financial risk</b>	<b>Significant</b>
Cash flow/leverage	Significant
<b>Anchor</b>	<b>bbb</b>
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Strong (no impact)
Management and governance	Strong (no impact)
Comparable rating analysis	Positive (+1 notch)
<b>Stand-alone credit profile</b>	<b>bbb+</b>

## Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology: The Impact Of Captive Finance Operations On Nonfinancial Corporate Issuers, Dec. 14, 2015
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014

## Deutsche Telekom AG

- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

## Ratings Detail (as of June 15, 2023)\*

### Deutsche Telekom AG

Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	
<i>Foreign Currency</i>	A-2
Senior Unsecured	BBB+

### Issuer Credit Ratings History

19-May-2023	BBB+/Stable/A-2
22-Apr-2022	BBB/Positive/A-2
01-Apr-2020	BBB/Stable/A-2

### Related Entities

#### Deutsche Telekom International Finance B.V.

Issuer Credit Rating	BBB+/Stable/A-2
----------------------	-----------------

#### Hellenic Telecommunications Organization S.A.

Issuer Credit Rating	BBB/Positive/A-2
----------------------	------------------

#### Sprint Capital Corp.

Issuer Credit Rating	BBB/Stable/NR
----------------------	---------------

#### Sprint Communications Inc.

Issuer Credit Rating	BBB/Stable/NR
----------------------	---------------

#### Sprint Corp.

Issuer Credit Rating	BBB/Stable/--
Senior Unsecured	BBB-

#### T-Mobile USA Inc.

Senior Secured	BBB
Senior Unsecured	BBB

#### T-Mobile US Inc.

Issuer Credit Rating	BBB/Stable/--
----------------------	---------------

\*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings credit ratings on the global scale are comparable across countries. S&P Global Ratings credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.



Copyright © 2023 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.