



MEDIA INFORMATION

Bonn, August 8, 2024

Deutsche Telekom keeps growing steadily and raises full-year guidance for free cash flow AL

- Net revenue up 4.3 percent in the second quarter to 28.4 billion euros, service revenues up 4.9 percent.
 - Adjusted EBITDA AL up 7.8 percent to 10.8 billion euros.
 - Free cash flow AL up 48.5 percent to 5.2 billion euros.
 - Adjusted net profit up 31.3 percent on prior-year figure to 2.5 billion euros.
 - Free cash flow AL guidance now raised to around 19.0 billion euros from previously around 18.9 billion euros.
 - Germany: strong customer growth.
 - United States: milestone reached – more than 100 million postpaid customers.
 - Europe: earnings growth at record level.
 - Systems Solutions: positive trend continues.
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Unbroken growth in all markets. Deutsche Telekom reliably delivered strong figures yet again for the second quarter of 2024. Service revenues increased by 4.9 percent year-on-year to 24.1 billion euros. At the same time, adjusted EBITDA AL grew 7.8 percent to 10.8 billion euros. Excluding the effects from exchange rate fluctuations and changes in the composition of the Group, i.e., in organic terms, growth amounted to 4.0 percent for service revenues and 6.6 percent for adjusted EBITDA AL. Free cash flow AL increased substantially by 48.5 percent to 5.2 billion euros.

“All our operations are performing well,” said Tim Höttges, CEO of Deutsche Telekom. “Quarter by quarter, we are seeing our strategy pay off.”



At 2.1 billion euros, net profit in the second quarter was up 35.6 percent against the same period of the prior year. Adjusted for special factors, net profit increased by 31.3 percent to 2.5 billion euros. This corresponds to adjusted earnings per share of 0.50 euros. After six months, adjusted earnings per share stood at 0.95 euros.

Following suit from T-Mobile US, Deutsche Telekom also raised its full-year guidance for free cash flow AL. The Group now expects around 19.0 billion euros, up from previously around 18.9 billion euros. There is no change in the guidance for adjusted EBITDA AL at around 42.9 billion euros, and for recurring adjusted earnings per share at more than 1.75 euros.

Germany: strong customer growth

Fiber-optic usage in Germany is gaining momentum. In the second quarter of 2024, the number of customers with pure fiber-optic lines increased by 113,000. The rate of growth has thus risen steadily over recent quarters, with the total number of customers using pure fiber-optic lines reaching over 1.2 million at the end of June. TV net adds stood at 114,000, with positive effects including the UEFA European Championship and the abolition of the privilege for property owners to pass on cable and internet service fees as ancillary costs to tenants (“Nebenkostenprivileg”) as of July 1, 2024. Broadband net adds for the quarter stood at 41,000.

Mobile communications also delivered strong figures. The branded contract customer base grew by 311,000 between April and June. Mobile service revenues increased by 3.7 percent year-on-year.

Revenue in the Germany operating segment amounted to 6.4 billion euros in the second quarter, up by 3.6 percent against the prior-year period. Adjusted EBITDA AL increased by just 1.0 percent to 2.6 billion euros, with the one-time payment to employees agreed in the collective agreement having a negative impact.

United States: milestone reached

T-Mobile US reached another milestone in its success story. As of June 30, the company reported more than 100 million postpaid customers for the first time. In the second quarter, postpaid net adds of 1.3 million were recorded, including 777,000 postpaid phone net



customer additions. T-Mobile US once again delivered industry-leading growth with these figures.

Regarding financial performance indicators, adjusted EBITDA AL increased by 9.1 percent year-on-year to 7.8 billion U.S. dollars. At the same time, service revenues increased by 4.4 percent in the second quarter to 16.4 billion U.S. dollars.

Europe: profit growth at record level

The European national companies once again stepped up the pace of profit growth. Adjusted EBITDA AL reached 1.1 billion euros in the second quarter, an increase of 8.9 percent in organic terms against the prior-year quarter. The rate of growth is expected to slow in the second half of the year, as the tailwind from lower energy costs in the first six months compared to the prior-year period will fall off. Revenue grew by 6.8 percent in organic terms to 3.1 billion euros.

The strong growth in customer numbers also continued. The companies recorded mobile contract net adds of 183,000, broadband net adds of 53,000, and TV net adds of 23,000 in the second quarter.

Systems Solutions: growth in order entry

The positive trends in T-Systems' business figures continued in the second quarter of this year. This is particularly the case for new deals, with order entry increasing by 28.3 percent to 957 million euros.

Revenue in Systems Solutions totaled 981 million euros between April and June, an increase of 2.1 percent year-on-year. This revenue growth was driven by both business with cloud services and by digitalization solutions. Adjusted EBITDA AL rose by 1.4 percent in organic terms to 87 million euros.



The Deutsche Telekom Group at a glance

	Q2 2024 millions of €	Q2 2023 millions of €	Change %	H1 2024 millions of €	H1 2023 millions of €	Change %	FY 2023 millions of €
Net revenue	28,394	27,221	4.3	56,337	55,060	2.3	111,985
Proportion generated internationally %	76.0	77.0	(1.0p)	75.9	77.2	(1.3p)	77.0
Service revenue	24,088	22,952	4.9	47,573	45,767	3.9	92,919
Adjusted EBITDA	12,412	11,622	6.8	24,469	23,138	5.8	46,831
Adjusted EBITDA AL	10,819	10,038	7.8	21,292	20,002	6.5	40,497
Net profit (after non-controlling interests)	2,088	1,539	35.6	4,070	16,899	-75.9	17,788
Adjusted net profit (after non-control- ling interests)	2,477	1,887	31.3	4,716	3,846	22.6	7,940
Earnings per share €	0.42	0.31	36.4	0.82	3.40	-75.8	3.57
Adjusted earnings per share €	0.50	0.38	32.0	0.95	0.77	23.0	1.60
Free cash flow AL	5,229	3,522	48.5	8,938	7,101	25.9	16,141
Cash capex ^a	3,859	4,611	-16.3	8,577	9,436	-9.1	17,866
Cash capex ^a (before spectrum)	3,684	4,422	-16.7	8,345	9,181	-9.1	16,591
Net debt (including leases)				135,125	136,893	-1.3	132,279
Number of employees ^b				200,402	205,212	-2.3	199,652
Of which in Germany				77,051	80,237	-4.0	78,600



Comments on the table

New partners for the cell tower business

On July 13, 2022, Deutsche Telekom agreed to sell a 51.0 percent stake in the tower business companies in Germany and Austria (GD Towers) to DigitalBridge and Brookfield. The transaction was consummated on February 1, 2023. From this date onward, GD Towers is no longer included in the Group's figures as a fully consolidated entity.

The sale resulted in a gain on deconsolidation in the first quarter of 2023 of 12.9 billion euros. This extraordinary income has been eliminated from the adjusted net profit for the first half of 2023 and the full-year 2023.

The stake in the cell tower business retained by Deutsche Telekom of 49.0 percent has been recognized using the equity method since February 1, 2023.

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

	Q2 2024 millions of €	Q2 2023 millions of €	Change %	H1 2024 millions of €	H1 2023 millions of €	Change %	FY 2023 millions of €
Germany							
Total revenue	6,369	6,150	3.6	12,667	12,290	3.1	25,187
Adjusted EBITDA AL	2,553	2,528	1.0	5,129	5,016	2.2	10,238
United States							
Total revenue	18,282	17,555	4.1	36,291	35,817	1.3	72,436
<i>in USD</i>	19,685	19,127	2.9	39,235	38,723	1.3	78,340
Adjusted EBITDA AL	7,237	6,554	10.4	14,169	13,090	8.2	26,409
<i>in USD</i>	7,792	7,142	9.1	15,317	14,156	8.2	28,567
Europe							
Total revenue	3,073	2,899	6.0	6,032	5,683	6.1	11,790
Adjusted EBITDA AL	1,108	1,024	8.2	2,176	2,007	8.4	4,114
Systems Solutions							
Order entry	957	746	28.3	1,780	1,500	18.7	3,628
Total revenue	981	959	2.3	1,974	1,905	3.6	3,896
Adjusted EBITDA AL	87	84	3.9	164	159	3.4	321



Operating segments: development of customer numbers in the second quarter of 2024

	June 30, 2024 thousands	March 31, 2024 thousands	Change thousands	Change %
Germany				
Mobile customers	65,192	63,284	1,908	3.0
Of which contract customers	25,838	25,492	346	1.4
Fixed-network lines	17,253	17,293	-40	-0.2
Broadband lines	15,098	15,057	41	0.3
Of which optical fiber ^a	13,065	12,975	90	0.7
Television (IPTV, satellite)	4,514	4,400	114	2.6
Unbundled local loop lines (ULLs)	2,181	2,349	-168	-7.2
United States				
Customers	125,893	120,872	5,021	4.2
Of which postpaid customers	100,610	99,272	1,338	1.3
Of which prepaid customers	25,283	21,600	3,683	17.1
Europe				
Mobile customers	49,287	48,837	450	0.9
Of which contract customers	27,588	27,406	183	0.7
Fixed-network lines	8,033	8,021	12	0.2
Broadband customers	7,099	7,046	53	0.8
Television (IPTV, satellite, cable)	4,334	4,311	23	0.5

Comments on the table

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



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

	June 30, 2024 thousands	June 30, 2023 thousands	Change thousands	Change %
Germany				
Mobile customers	65,192	57,695	7,497	13.0
Of which contract customers	25,838	24,391	1,447	5.9
Fixed-network lines	17,253	17,332	-79	-0.5
Broadband lines	15,098	14,856	242	1.6
Of which optical fiber ^a	13,065	12,486	579	4.6
Television (IPTV, satellite)	4,514	4,208	306	7.3
Unbundled local loop lines (ULLs)	2,181	2,877	-697	-24.2
United States				
Customers	125,893	116,602	9,291	8.0
Of which postpaid customers	100,610	95,086	5,525	5.8
Of which prepaid customers	25,283	21,516	3,767	17.5
Europe				
Mobile customers	49,287	47,582	1,705	3.6
Of which contract customers	27,588	26,753	836	3.1
Fixed-network lines	8,033	7,968	66	0.8
Broadband customers	7,099	6,837	262	3.8
Television (IPTV, satellite, cable)	4,334	4,194	140	3.3

Comments on the table

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



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Deutsche Telekom AG
Corporate Communications

Tel.: +49 228 18149494

Email: media@telekom.de

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