



## MEDIA INFORMATION

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### Guidance raised: Deutsche Telekom continues growth course in 2022

- Net revenue up 6.2 percent to 28 billion euros in the first quarter of 2022
- Adjusted EBITDA AL up 6.8 percent to 9.9 billion euros
- Free cash flow AL up 46.3 percent to 3.8 billion euros
- Net profit quadrupled following sale of T-Mobile Netherlands
- Guidance for 2022 financial year raised: adjusted EBITDA AL of more than 36.6 billion euros, free cash flow AL of more than 10 billion euros planned
- Positive development of mobile service revenues in Germany
- Demand for fixed-network alternatives at T-Mobile US
- Strong growth figures in the Europe segment

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The Group is holding its course. Following the strong 2021 financial year, Deutsche Telekom continued its growth in the first three months of 2022. Revenue increased 6.2 percent to 28 billion euros, with service revenues growing even faster by 10 percent. Adjusted EBITDA AL recorded growth of 6.8 percent compared with the prior-year period and amounted to 9.9 billion euros. In organic terms – adjusted for exchange rate effects and changes in the composition of the Group – revenue increased by 1.7 percent, service revenue by 4.7, and adjusted EBITDA AL by 2.4 percent.

“This was a strong start to the new year,” said CFO Christian Illek at the presentation of the quarterly figures in Bonn. “We are continuing to grow on an organic basis and are therefore in a position to raise our guidance for 2022.”



The Group now expects to post adjusted EBITDA AL of more than 36.6 billion euros in 2022, up from the previous guidance of around 36.5 billion euros. Free cash flow AL, which was expected to amount to around 10 billion euros, is now expected to exceed 10 billion euros.

In terms of cash capex excluding expenses for mobile spectrum, the Group invested 4.7 billion euros in the first quarter, 8.8 percent more than a year earlier. At the same time, free cash flow AL increased by 46.3 percent to 3.8 billion euros.

Net profit in the first quarter was more than four times higher than in the first quarter of the prior year at 3.9 billion euros. This increase was primarily driven by the sale of 50 percent of the FTTH company GlasfaserPlus to IFM and the completion of the transaction in the Netherlands. Adjusted net profit increased by 86.3 percent to 2.2 billion euros.

#### **Germany: Strong development of mobile service revenues**

The Germany segment continued to grow in the first quarter of 2022. Revenue increased slightly by 0.9 percent to 6.0 billion euros. Adjusted EBITDA AL rose significantly by 3.6 percent year-on-year, reaching 2.4 billion euros. And investments increased even more – by 4.9 percent.

In operational terms, the market leader strengthened its position. Mobile services revenues increased substantially against the prior-year period, up by 2.5 percent. Telekom recorded 193,000 branded contract customer additions. 5G coverage increased by more than 11 percentage points compared with the first quarter of 2021 to reach around 92 percent.

The company recorded 55,000 new broadband customers in Germany in the first quarter, a year-on-year increase of 2.3 percent in the customer base. The number of fiber-optic-based lines (FTTx, retail and wholesale) increased to 17.4 million. This means that around 73 percent of retail broadband customers are already using the fiber-optic infrastructure.

#### **United States: Demand for fixed-network alternatives**

At the end of March 2022, T-Mobile US had 109.5 million customers, which corresponds to growth of more than 6.1 million within a year. In the first quarter of 2022 alone, 1.3 million new mobile postpaid customers were added. High Speed Internet emerged as a new growth area for



the company, with customers in rural areas in particular swapping their fixed-network lines for mobile solutions. In the first quarter alone, 348,000 customers opted for this solution. The customer base has now nearly reached one million at 984,000, almost five times as high as a year earlier.

Total revenue at T-Mobile US increased by 1.9 percent in the reporting quarter to 20.3 billion U.S. dollars. Adjusted EBITDA rose by 0.7 percent to 6.9 billion U.S. dollars. Excluding the effect of the decline in terminal equipment lease business, adjusted core EBITDA, i.e., earnings in organic terms, grew by more than 10 percent. T-Mobile US raised the guidance range for synergies from the Sprint merger for 2022 to between 5.2 and 5.4 billion U.S. dollars, up from the previous range of between 5.0 and 5.3 billion U.S. dollars. The company also increased the number of postpaid net customer additions expected in 2022: from the prior guidance of between 5.0 and 5.5 million to between 5.3 and 5.8 million.

#### **Europe: Growth trend continues**

The Europe segment is reporting strong growth again in the first quarter of 2022. Adjusted EBITDA AL grew 6.9 percent year-on-year in organic terms. Organic segment revenue grew by 4.2 percent, with high-value service revenues performing particularly well: mobile service revenues were up 2.2 percent, growth in fixed-network service revenues was 4.8 percent.

The customer base also continued to grow in the Europe segment. 150,000 new mobile contract customers were added and 70,000 new broadband customers. 59 percent of broadband households now use fixed-mobile convergence products, with 196,000 new users added in the first quarter of 2022.

#### **Systems Solutions: New deals at the start of the year**

T-Systems delivered a strong start to the 2022 financial year. Order entry recorded particularly good figures compared with the first quarter of the prior year. The volume was up by 23.1 percent to 1.1 billion euros.

In organic terms, adjusted EBITDA AL increased by 18.1 percent year-on-year in the first quarter of 2022 to 73 million euros, thanks to further cost-cutting. Revenue remained almost stable in organic terms, decreasing slightly by 0.8 percent to 1.0 billion euros.



### **Group Development: Sale of T-Mobile Netherlands completed**

The sale of T-Mobile Netherlands was completed on March 31. As a result, the Dutch company is included in the Group's figures for the last time. In the first quarter, T-Mobile Netherlands recorded 47,000 mobile contract additions, and generated revenue of 536 million euros and adjusted EBITDA AL of 190 million euros.

In the cell tower business, revenue grew by 6.4 percent in organic terms year-on-year to 284 million euros. At the same time, adjusted EBITDA AL increased by 10.2 percent in organic terms to 173 million euros. On a like-for-like basis, the number of sites increased by 1,000 compared with a year earlier to 40,500.



## The Deutsche Telekom Group at a glance

	Q1 2022 millions of €	Q1 2021 millions of €	Change %	FY 2021 millions of €
Net revenue	28,023	26,390	6.2	108,794
Proportion generated internationally %	76.7	76.4	0.3p	77.0
Service revenue	22,287	20,257	10.0	84,057
Adjusted EBITDA	11,436	10,698	6.9	43,175
Adjusted EBITDA AL	9,873	9,245	6.8	37,330
Net profit (after non-controlling interests)	3,949	936	n.a.	4,176
Adjusted net profit (after non-controlling interests)	2,238	1,201	86.3	5,862
Free cash flow AL	3,781	2,585	46.3	8,810
Cash capex <sup>a</sup>	7,173	12,272	-41.5	26,366
Cash capex <sup>a</sup> (before spectrum)	4,658	4,283	8.8	17,978
Net debt	135,947	129,530	5.0	132,142
Number of employees <sup>b</sup>	216,109	224,385	-3.7	216,528
Of which in Germany	84,470	88,409	-4.5	85,160

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

b) At reporting date.



### Operating segments: Development of operations

	Q1 2022 millions of €	Q1 2021 millions of €	Change %	FY 2021 millions of €
<b>Germany</b>				
Total revenue	5,994	5,942	0.9	24,164
Adjusted EBITDA AL	2,388	2,305	3.6	9,520
<b>United States</b>				
Total revenue	18,048	16,483	9.5	68,359
US-\$	20,251	19,866	1.9	80,806
Adjusted EBITDA AL	6,172	5,706	8.2	22,697
US-\$	6,927	6,876	0.7	26,871
<b>Europe</b>				
Total revenue	2,704	2,729	-0.9	11,384
Adjusted EBITDA AL	976	946	3.2	4,007
<b>Systems Solutions</b>				
Order entry	1,097	891	23.1	4,174
Total revenue	996	1,015	-1.9	4,019
Adjusted EBITDA AL	73	62	17.7	286
<b>Group Development</b>				
Total revenue	825	782	5.5	3,165
Adjusted EBITDA AL	356	316	12.7	1,307



**Operating segments: Development of customer numbers in the first quarter of 2022**

	Mar. 31, 2022	Dec. 31, 2021	Change thousands	Change %
<b>Germany</b>				
Mobile customers	53,968	53,211	757	1.4
Of which contract customers	23,165	23,129	36	0.2
Fixed-network lines	17,480	17,525	-45	-0.3
Broadband lines	14,533	14,478	55	0.4
Of which optical fiber <sup>a</sup>	10,584	10,379	205	2.0
Television (IPTV, satellite)	4,018	4,001	17	0.4
Unbundled local loop lines (ULLs)	3,487	3,622	-135	-3.7
<b>United States</b>				
Customers	109,541	108,719	822	0.8
Of which postpaid customers	88,423	87,663	760	0.9
Of which prepaid customers	21,118	21,056	62	0.3
<b>Europe<sup>b</sup></b>				
Mobile customers	45,584	45,816	-232	-0.5
Of which contract customers	25,803	26,575	-772	-2.9
Fixed-network lines	7,814	7,802	12	0.2
Broadband customers	6,451	6,381	70	1.1
Television (IPTV, satellite, cable)	4,050	4,019	31	0.8
<b>Group Development</b>				
Netherlands				
Mobile customers	6,949	6,939	10	0.1
Fixed-network lines	754	739	15	2.0
Broadband lines	744	728	16	2.2



- a) Sum of all FTTx access lines (e.g., FTTC/VDSL, vectoring, and FTTH/B).
- b) Since January 1, 2022, 921,000 contract customers of a service provider in Austria are no longer reported among our customers. The prior-year figures have not been adjusted retrospectively.

**Operating segments: Development of customer numbers in year-on-year comparison**

	<b>Mar. 31, 2022</b>	<b>Mar. 31, 2021</b>	<b>Change thousands</b>	<b>Change %</b>
<b>Germany</b>				
Mobile customers	53,968	49,091	4,877	9.9
Of which contract customers	23,165	22,509	656	2.9
Fixed-network lines	17,480	17,562	-82	-0.5
Broadband lines	14,533	14,211	322	2.3
Of which optical fiber <sup>a</sup>	10,584	9,758	826	8.5
Television (IPTV, satellite)	4,018	3,896	122	3.1
Unbundled local loop lines (ULLs)	3,487	3,968	-481	-12.1
<b>United States<sup>b</sup></b>				
Customers	109,541	103,437	6,104	5.9
Of which postpaid customers	88,423	82,572	5,851	7.1
Of which prepaid customers	21,118	20,865	253	1.2
<b>Europe<sup>c</sup></b>				
Mobile customers	45,584	45,454	130	0.3
Of which contract customers	25,803	26,995	-1,192	-4.4
Fixed-network lines	7,814	9,114	-1,300	-14.3
Broadband customers	6,451	7,000	-549	-7.8
Television (IPTV, satellite, cable)	4,050	5,092	-1,042	-20.5
<b>Group Development</b>				
Netherlands				





Mobile customers	6,949	6,798	151	2.2
Fixed-network lines	754	693	61	8.8
Broadband lines	744	680	64	9.4

- a) Sum of all FTTx access lines (e.g., FTTC/VDSL, vectoring, and FTTH/B).
- b) As of July 1, 2021, T-Mobile US acquired 716,000 postpaid phone customers and 90,000 other postpaid customers through the acquisition of assets directly associated with the mobile operations of Shentel. The prior-year figures have not been adjusted retrospectively.
- c) Since January 1, 2022, 921,000 contract customers of a service provider in Austria are no longer reported among our customers. The prior-year figures have not been adjusted retrospectively.



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