Deutsche Telekom AG

Deutsche Telekom AG (DT) is strongly positioned within its 'BBB+' rating. Its healthy operating profile across Germany, the US and many European countries is complemented by significant financial flexibility stemming from strong cash flow generation and high shareholder distributions from majority-controlled T-Mobile US, Inc. (TMUS; BBB+/Stable). DT projects EUR15 billion cumulative surplus cash flows in 2025-2027, with a portion already used for increasing DT’s stake in TMUS (enhancing DT’s financial flexibility) and DT’s announced share buy-backs. This assumes net leverage close to its up to 2.75x target, and on top of likely significant business investments.

Fitch Ratings has loosened the upgrade leverage threshold to 2.2x EBITDA net leverage on a proportional basis due to the increased shareholding in TMUS, stronger financial flexibility and improving cash generation.

Key Rating Drivers

Diversified, High-Quality International Portfolio: DT has a unique mix of market-leading or second-largest domestic and international assets, which give it diversification and scale benefits. We expect DT to maintain the quality of its assets through continuing investments in sector-leading infrastructure including fibre network expansion, operational improvements and selective in-market consolidation. We project company-defined EBITDA on a proportionate basis at around EUR34.3 billion in 2025. This broadly comprises Germany at 33%, the US at 52% and Europe at 15%.

Strong US Operations: DT's majority-controlled TMUS grew into the well-entrenched second-largest US wireless operator, with sufficiently large spectrum for it to successfully defend competitive positions and maintain overall coverage and 5G technological capabilities on par with or ahead of key peers. TMUS retains reasonably strong growth prospects in the US, with the management guiding for 5% CAGR revenue and 7% core adjusted EBITDA growth in 2023-2027.

US Driven Financial Flexibility: DT expects to generate up to EUR15 billion of cumulative surplus cash by 2027 due to TMUS's guidance for significant shareholder distributions on top of substantial strategic investments and additional cash cushion. TMUS expects to spend USD10 billion on spectrum and Lumos, Metronet and USCellular acquisitions (all closed in 2025), return up to USD50 billion to shareholders including through share repurchases, and retain about USD20 billion of financial flexibility available, among other things, for deleveraging in 2025-2027. TMUS announced USD14.6 shareholder return programme till end-2026, including any dividends and unused amounts under USD14 billion 2025 programme.

US Strategic Considerations: We believe DT will continue to view T-Mobile US as a strategic investment and make sure it keeps a majority stake in the company. However, any shareholding above the controlling level is likely less strategic and could be disposed of if necessary. DT has gradually increased its stake in TMUS by not fully participating in the latter's share buy-backs. Its effective ownership in TMUS therefore grew to 52.1% at end-September 2025 compared with 51.4% at end-December 2024 and 50.6% at end-December 2023. We expect DT’s shareholding in TMUS to grow further.

Sustainable Domestic Market Leadership: DT has a structurally strong position in its domestic market that we expect it to defend. Overall, DT is investing ahead of domestic competitors, with its share of country-wide investments in telecoms equipment growing and estimated to reach 43% in 2025 from 35% in 2022. Its proactive capex strategy ensures strong infrastructure quality and customer wins. It is an undisputed leader in B2B having increased its revenue market share to close to 70% in 2025 from 60% in 2022. DT held 41% retail broadband subscriber and 32% mobile service revenue market shares in Germany in 2025, by VATM estimates.

Robust Pan-European Operations: The impact of DT's European operations on the company's credit profile is moderate but overall positive. These operations are profitable and cash flow generative, as suggested by EBITDA minus cash capex at EUR2.5 billion in 9M25, and EUR3.1 billion in 2024. The company has had 31 consecutive quarters of EBITDA margin improvement to the three months ending in September 2025, putting European profitability broadly in line with the domestic one.

No Government Support: We do not factor any governmental support into DT's ratings. We believe any efforts to support the company are likely to be exclusively focused on its domestic operations, and only after other options including international divestments are exhausted, potentially at a lower rating level. The Federal Republic of Germany holds a direct 14.1% stake in the company and state-affiliated KfW holds another 14.2%.

Proportionate Rating Profile: DT's controlling stake in TMUS allows the company to fully consolidate this subsidiary in its accounts. However, we believe the best way to quantitatively assess DT's ability to meet its debt obligations is by proportionately consolidating TMUS. This approach considers the significant minorities in TMUS, its weak legal and operational ties with DT, and a standalone funding structure for TMUS.

Comfortable Leverage: We view DT's net leverage as comfortable, within its revised 2.2x-3.0x thresholds, which in conjunction with its strong operating profile, robust cash flow generation and significant additional financial flexibility positions DT at the top end of its rating. We expect DT to manage its leverage in line with its target of up to 2.75x net debt/EBITDA (company definition), broadly mapping to 2.4x-2.5x Fitch-defined net leverage on a consolidated basis including TMUS, and 2.3x-2.4x on a proportionate basis, assuming the current shareholding structure and leverage levels at TMUS and standalone DT.

Financial Summary

(EURm)	2022	2023	2024	2025F	2026F	2027F
Gross revenue	112,839	111,682	115,683	117,420	120,144	123,837
EBITDA margin (%)	29.6	33.3	37.1	35.5	36.6	37.5
EBITDA net leverage (x)	2.9	2.5	2.3	2.6	2.5	2.5
EBITDA net leverage with TMUS proportionately consolidated (x)	2.9	2.4	2.3	2.5	2.4	2.3

Note: TMUS fully consolidated unless stated otherwise
Source: Fitch Ratings, Fitch Solutions, Deutsche Telekom AG

Peer Analysis

DT is rated in line with that of other western European diversified telecoms operators with similarly strong domestic operations and a geographically diversified portfolio of international businesses such as Orange S.A. (BBB+/Stable), Vodafone Group Plc (BBB/Stable) and Telefonica SA (BBB/Stable). Higher-rated Verizon Communications Inc.
(A-/Stable) is the market-leading mobile operator in the US with stronger broadband franchise and lower targeted 2.0x-2.25x net leverage.

The combination of a strong domestic position and diversified business portfolio enables slightly higher leverage capacity for DT's ratings than for operators with limited scale such as BT Group plc (BBB/Stable) and Royal KPN N.V. (BBB/Stable).

Navigator Peer Comparison

Issuer		Business profile							Financial profile	
	IDR/Outlook	Operating Environment	Management and Corporate Governance	Diversification	Innovation	Revenue Visibility	Market Position	Profitability	Financial Structure	Financial Flexibility
AT&T Inc.	BBB+/RWN	aa	a	a	NA	NA	a	a	bbb-	bbb+
BT Group plc	BBB/Stable	aa	a-	bbb	NA	NA	bbb+	bbb	bbb	a
Comcast Corp.	A-/Stable	aa	a	a-	NA	NA	a-	bbb+	bbb	a+
Deutsche Telekom AG	BBB+/Stable	aa	a-	a	NA	NA	a-	bbb+	bbb	bbb+
Orange S.A.	BBB+/Stable	aa	a-	a	NA	NA	a-	bbb	bbb	a-
T-Mobile US, Inc.	BBB+/Stable	aa	a+	bbb	NA	NA	a	a	bbb	bbb+
Telefonica SA	BBB/Stable	a+	a-	a	NA	NA	a-	bb+	bbb-	bbb+
Verizon Communications Inc.	A-/Stable	aa	a+	a-	NA	NA	a	a	bbb	a
Vodafone Group Plc	BBB/Stable	aa-	a-	a	NA	NA	bbb+	bbb	bbb-	bbb+

Source: Fitch Ratings

Issuer		Business profile							Financial profile	
Name	IDR/Outlook	Operating Environment	Management and Corporate Governance	Diversification	Innovation	Revenue Visibility	Market Position	Profitability	Financial Structure	Financial Flexibility
AT&T Inc.	BBB+/RWN	+5	+2	+2	0	0	+2	+2	-2	0
BT Group plc	BBB/Stable	+6	+2	0	0	0	+1	0	0	+3
Comcast Corp.	A-/Stable	+4	+1	0	0	0	0	-1	-2	+2
Deutsche Telekom AG	BBB+/Stable	+5	+1	+2	0	0	+1	0	-1	0
Orange S.A.	BBB+/Stable	+5	+1	+2	0	0	+1	-1	-1	+1
T-Mobile US, Inc.	BBB+/Stable	+5	+3	-1	0	0	+2	+2	-1	0
Telefonica SA	BBB/Stable	+4	+2	+3	0	0	+2	-2	-1	+1
Verizon Communications Inc.	A-/Stable	+4	+2	0	0	0	+1	+1	-2	+1
Vodafone Group Plc	BBB/Stable	+5	+2	+3	0	0	+1	0	-1	+1

Source: Fitch Ratings
Factor Score Relative to IDR Worse positioned than IDR | Within one notch of IDR | Better positioned than IDR

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- An increase in EBITDA net leverage with TMUS proportionately consolidated to above 3.0x (2.3x in 2024; 2.5x in 2025F) on a sustained basis (spikes in leverage may be consistent with the current ratings if DT has a credible plan to reduce leverage within 18-24 months)
- Pressure on FCF driven by EBITDA margin erosion, consistently higher capex and shareholder distributions, or significant underperformance in the core domestic market and at other key subsidiaries

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- EBITDA net leverage with TMUS proportionately consolidated sustained below 2.2x
- Sustained FCF growth sufficient to cover continued investments in fibre to the home and mobile spectrum payments
- Continued market leadership and subscriber growth momentum in the US with a stable market share

Liquidity and Debt Structure

DT's policy is to maintain sufficient liquidity to cover 24 months of debt maturities. At end-3Q25 DT had liquidity reserves of EUR14.7 billion, excluding TMUS, comprising EUR2.7 billion cash and cash equivalents and EUR12 billion undrawn committed credit facilities, versus EUR6.2 billion maturities to end-3Q27.

Liquidity and Debt Maturities

Scheduled Debt Maturities (TMUS Deconsolidated)

(EURbn)	30 Sep 25
2025	0.9
2026	2.2
2027	3.5
2028	3.5
2029	2.2
Thereafter	15.3
Total	**27.6**

Source: Fitch Ratings, Fitch Solutions, Deutsche Telekom AG

Fitch's Key Rating-Case Assumptions

All assumptions, unless otherwise stated, relate to DT's reported numbers that fully consolidate TMUS

- Low to mid-single digit revenue growth a year, with stronger growth in the US in 2025-2028
- Fitch-defined EBITDA margin on a proportionally consolidated basis gradually improving to 36% in 2028 from estimated 34% in 2025
- Capex at 16% of revenues on average in 2025-2028
- Negative working capital at 1% of revenue in 2025-2028
- Share buybacks at DT level of EUR2 billion a year in 2025-2028
- Exchange rate of EUR1.16/USD1.00 in 2026-2028, in line with Fitch's Global Economic Outlook forecasts

Financial Data

(EURm)	2022	2023	2024	2025F	2026F	2027F
Summary income statement						
Gross revenue	112,839	111,682	115,683	117,420	120,144	123,837
Revenue growth (%)	6.5	-1.0	3.6	1.5	2.3	3.1
EBITDA	33,382	37,179	42,918	41,738	43,954	46,403
EBITDA margin (%)	29.6	33.3	37.1	35.5	36.6	37.5
Summary balance sheet						
Readily available cash and equivalents	5,680	7,170	8,472	7,248	7,107	6,167
Debt	103,326	97,484	103,666	110,666	112,666	114,666
Net debt	97,646	90,314	95,194	103,418	105,560	108,499
Summary cash flow statement						
EBITDA	33,382	37,179	42,918	41,738	43,954	46,403
Cash interest paid	-5,241	-5,855	-6,125	-6,430	-6,700	-6,820
Cash tax	-902	-1,312	-1,504	-1,894	-4,130	-5,399
Dividends received less dividends paid to minorities (inflow/outflow)	-186	-516	-2,195	-1,865	-2,039	-2,176
Other items before FFO	-363	335	-1,635	-1,000	-1,000	-1,000
FFO	28,037	32,032	33,886	32,048	31,085	32,008
FFO margin (%)	24.8	28.7	29.3	27.3	25.9	25.8
Change in working capital	-75	-877	-1,020	-1,174	-1,201	-1,238
CFO (Fitch-defined)	27,962	31,155	32,866	30,874	29,884	30,770
Total non-operating/nonrecurring cash flow	—	—	—	—	—	—
Capex	-24,114	-17,866	-19,171	—	—	—
Capital intensity (capex/revenue) (%)	21.4	16.0	16.6	—	—	—
Common dividends	-3,188	-3,480	-3,388	—	—	—
FCF	660	9,809	10,307	—	—	—
FCF margin (%)	0.6	8.8	8.9	—	—	—
Net acquisitions and divestitures	4,653	7,936	-100	—	—	—
Other investing and financing cash flow items	-5,409	-13,024	-8,458	—	—	—
Net debt proceeds	-1,308	-2,903	1,423	7,000	2,000	2,000
Net equity proceeds	—	—	-1,974	-2,000	-2,000	-2,000
Total change in cash	-1,901	1,507	1,198	-1,224	-142	-939
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-22,649	-13,410	-22,659	-28,584	-22,285	-22,679
FCF after acquisitions and divestitures	5,313	17,745	10,207	2,290	7,598	8,091
FCF margin after net acquisitions (%)	4.7	15.9	8.8	2.0	6.3	6.5
Gross leverage ratios (x)						
EBITDA leverage	3.1	2.7	2.6	2.8	2.7	2.6
(CFO-capex)/debt (%)	3.7	13.6	13.2	11.1	11.8	12.7
Net leverage ratios (x)						
EBITDA net leverage	2.9	2.5	2.3	2.6	2.5	2.5
(CFO-capex)/net debt (%)	3.9	14.7	14.4	11.9	12.6	13.4

Coverage ratios (x)						
EBITDA interest coverage	6.3	6.3	6.7	6.2	6.3	6.5

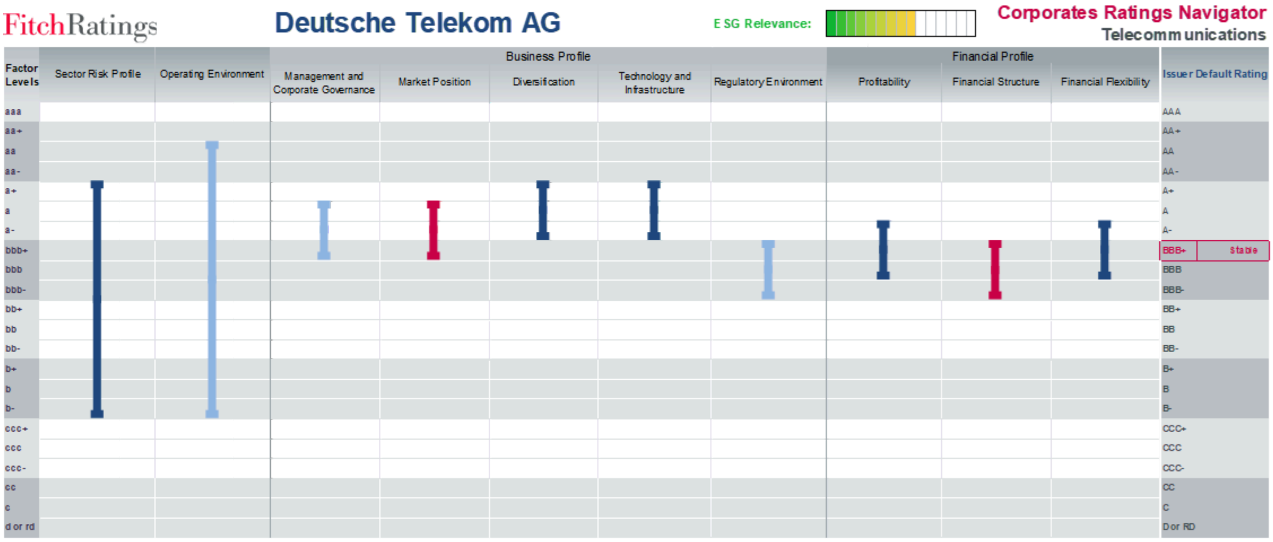
CFO – Cash flow from operations
Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator

Telecommunications



Factor Outlook: Stable, Evolving, Positive, Negative
Relative Importance: Lower, Moderate, Higher

Bar Chart Legend:	
Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	⇧ Positive
Higher Importance	⇩ Negative
Average Importance	⇳ Evolving
Lower Importance	☐ Stable

FitchRatings

Deutsche Telekom AG

Corporates Ratings Navigator
Telecommunications

Operating Environment

aa+	Economic Environment	aa	Very strong combination of countries where economic value is created and where assets are located.
aa	Financial Access	aa	Very strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
b-			
ccc+			

Management and Corporate Governance

a+	Management Strategy	a	Coherent strategy and good track record in implementation.
a	Governance Structure	a	Experienced board exercising effective check and balances. Ownership can be concentrated among several shareholders.
a-	Group Structure	a	Group structure shows some complexity but mitigated by transparent reporting.
bbb+	Financial Transparency	bbb	Good quality reporting without significant failing. Consistent with the average of listed companies in major exchanges.
bbb			

Market Position

a+	Market Position	a	Very strong and sustainable market share in primary markets (> 30%).
a	Competition	bbb	Primary markets characterized by medium competitive intensity and/or moderate barriers to entry.
a-	Scale - EBITDA	a	>$5 billion
bbb+			
bbb			

Diversification

aa-	Service Platform Diversification	a	Operates several service platforms in primary markets.
a+	Geographic Diversification	a	Very good geographic diversification.
a			
a-			
bbb+			

Technology and Infrastructure

aa-	Ownership of Network	a	Owns almost all of its infrastructure.
a+	Network and Service Quality	a	Market leading network in terms of coverage and technology deployment, with good quality of service.
a			
a-			
bbb+			

Regulatory Environment

a-	Regulatory Risk	bbb	Moderate.
bbb+			
bbb			
bbb-			
bb+			

Profitability

a	Volatility of Cash Flow	bbb	Volatility and visibility of cash flow in line with industry average.
a-	EBITDA Margin	a	35%
bbb+			
bbb			
bbb-			

Financial Structure

a-	EBITDA Leverage	bbb	2.8x
bbb+	EBITDA Net Leverage	bbb	2.6x
bbb	(CFO-Capex)/Debt	bbb	12.5%
bbb-			
bb+			

Financial Flexibility

a	Financial Discipline	a	Clear commitment to maintain a conservative policy with only modest deviations allowed.
a-	Liquidity	a	No need for external funding beyond committed facilities in the next 12 months even under a severe stress scenario. Well-spread maturities. Diversified funding.
bbb+	EBITDA Interest Coverage	bb	6.0x
bbb	FX Exposure	a	Profitability potentially exposed to FX but efficient hedging in place. Debt and cash flows well-matched.
bbb-			

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

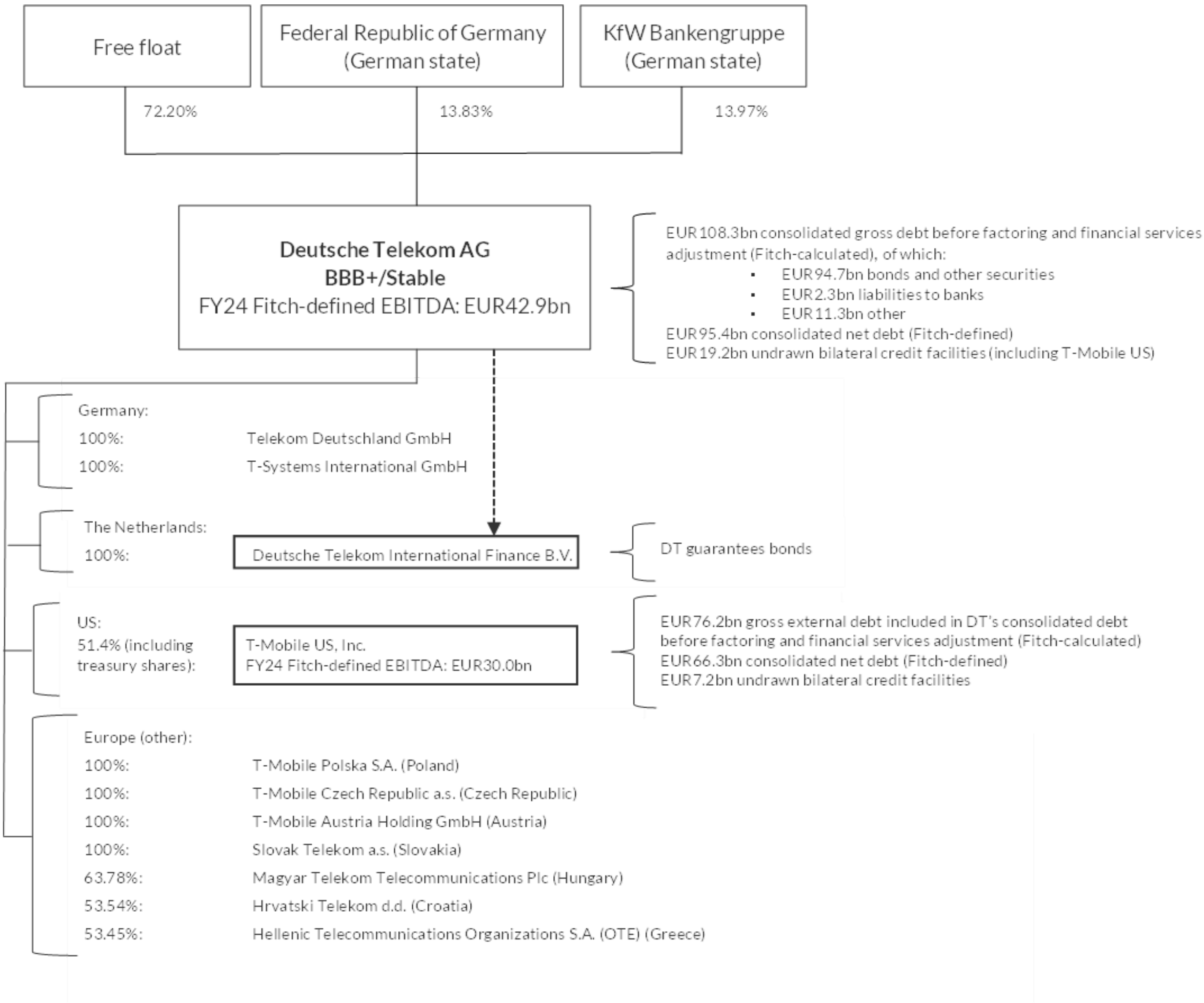
Credit-Relevant ESG Derivation

Deutsche Telekom AG has 8 ESG potential rating drivers

- Energy and fuel use in networks and data centers
- Networks exposed to extreme weather events (e.g. hurricanes)
- Data security; service disruptions
- Impact of labor negotiations and employee (dis)satisfaction
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG
key driver	0	issues	5
driver	0	issues	4
potential driver	8	issues	3
not a rating driver	1	issues	2
	5	issues	1

Simplified Group Structure Diagram



Note: Government and kfW Bankengruppe stakes were 14.1% and 14.2%, respectively, as of 30 September 2025
Source: Fitch Ratings, Fitch Solutions, Deutsche Telekom AG, as of December 2024.

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (EURm)	EBITDA margin (%)	EBITDA net leverage (x)	FCF margin (%)	CFO-capex/debt (%)
Deutsche Telekom AG	BBB+						
	BBB+	2024	115,683	37.1	2.3	8.9	13.2
	BBB+	2023	111,682	33.3	2.5	8.8	13.6
	BBB+	2022	112,839	29.6	2.9	0.6	3.7
T-Mobile US, Inc.	BBB+						
	BBB+	2024	78,322	38.1	2.2	15.9	22.2
	BBB+	2023	71,703	36.5	2.2	15.5	18.5
	BBB-	2022	74,603	33.8	2.3	8.7	10.4
AT&T Inc.	BBB+						
	BBB+	2024	117,710	36.7	3.2	6.5	10.7
	BBB+	2023	111,745	35.5	3.5	6.0	9.5
	BBB+	2022	113,202	34.4	3.7	-0.9	7.9
Verizon Communications Inc.	A-						
	A-	2024	129,691	36.5	2.4	6.1	16.3
	A-	2023	122,284	35.8	2.6	5.5	14.3
	A-	2022	128,291	35.2	2.7	2.2	10.5
Orange S.A.	BBB+						
	BBB+	2024	40,264	30.4	2.0	1.7	7.3
	BBB+	2023	44,132	29.8	2.2	1.9	7.3
	BBB+	2022	43,480	30.1	2.1	-0.7	4.1
Telefonica SA	BBB						
	BBB	2024	41,315	25.1	2.8	1.7	5.5
	BBB	2023	40,652	24.6	3.0	0.8	5.3
	BBB	2022	39,993	24.5	3.1	4.2	2.3
Vodafone Group Plc[a]	BBB						
	BBB	2025	37,448	29.2	1.9	-0.8	4.1
	BBB	2024	36,717	30.0	3.0	-2.7	3.6
	BBB	2023	45,706	32.1	2.2	2.4	8.3
BT Group plc[a]	BBB						
	BBB	2025	24,372	36.5	2.0	-3.0	1.0
	BBB	2024	24,357	35.1	1.9	-5.8	-2.7
	BBB	2023	23,521	34.4	1.8	-3.3	1.4
Comcast Corp.	A-						
	A-	2024	119,052	31.8	2.4	6.2	12.1
	A-	2023	110,964	32.0	2.4	6.6	12.7
	A-	2022	113,845	31.1	2.5	6.2	12.5

[a] Calendar years for ratings, financial years to end-March for data.
Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

(EURm)			FY24 consolidated	FY24 TMUS	FY24 with TMUS deconsolidated	FY24 with TMUS proportionately consolidated
Debt & Cash Summary						
Financial liabilities (current)	(as reported)		9,852	-3,915	5,937	7,949
Financial liabilities (non-current)	(as reported)		102,339	-73,131	29,208	66,797
Adjusted for:						
Accrued interest (reflected within financial liabilities)	(as reported)		-1,158	870	-288	-735
Derivative financial assets	(as reported)					
Derivative liabilities not related to FX hedging of debt (reflected within financial liabilities)	(as reported)		-2,672	-		
Derivative financial assets related to FX hedging of debtx	(as reported)		-20	-		
Supplier finance liabilities	(as reported)		-	-	-	-
Factoring	(as reported)		1,995	-1,995		
Total debt before factoring & financial services adjustment	**(calculated)**	**(a)**	**110,336**	**-78,171**	**32,165**	**72,345**
Volume of receivables sold as of the reporting date	(as reported)	**(b)**	1,995	-1,995	-	1,025
Lease wireless device assets (TMUS)	(as reported)		-	-	-	-
Equipment installment plan receivables, net of allowance for credit losses and imputed discount (TMUS)	(as reported)		6,341	-6,341	-	3,259
Total receivables eligible to financial services operations	**(calculated)**	**(c)**	**8,336**	**-8,336**	**-**	**4,285**
Debt related to financial services operations	**(Fitch estimate)**	**(d) = (c)*4/5**	**-6,669**	**6,669**	**-**	**-3,428**
Total gross debt	**(calculated)**	**(e) = (a) + (b) + (d)**	**103,667**	**-71,503**	**32,165**	**68,917**
						-
Cash and cash equivalents	(as reported)		8,472	-5,206	3,266	5,942
Restricted cash			-207		-207	-207
Total cash and cash equivalents	**(calculated)**	**(f)**	**8,265**	**-5,206**	**3,059**	**5,735**
Net debt with equity credit	**(calculated)**	**(g) = (e) + (f)**	**95,402**	**-66,297**	**29,106**	**63,182**
						-
Revenue	**(as reported)**		**115,769**	**-75,046**	**40,723**	**79,297**
less: "Jump!" lease revenues	(Fitch estimate)		-86	86	-	-44
Revenue (Fitch-defined)	**(calculated)**		**115,683**	**-74,960**	**40,723**	**79,252**

EBITDA adjusted for special items (company-defined)	**(as reported)**		**49,423**	**-33,437**	**15,986**	**33,173**
Special factors affecting EBITDA	(as reported)		881	-2,432	-1,551	-301
EBITDA related to discontinued operations	(calculated)		-	-	-	-
EBITDA before special items (company-defined)	**(as reported)**		**50,304**	**-35,869**	**14,435**	**32,872**
less: "Jump!" lease EBITDA	(Fitch estimate)		-86	86	-	-44
less: Depreciation & Amortisation on right-of-use assets	(as reported)		-5,412	4,365	-1,047	-3,291
less: Interest expense on lease liabilities	(as reported)		-1,888	1,411	-477	-1,202
EBITDA (Fitch-defined)	(calculated)	(h)	**42,918**	**-30,007**	**12,911**	**28,335**
EBITDA Margin, (%)	(calculated)		37.1%	40.0%	31.7%	35.7%
Cash generated from operations	(as reported)		**45,460**	**-32,388**	**13,072**	**29,719**
Less:						
Depreciation & Amortisation on right-of-use assets			-5,412	4,365	-1,047	-3,291
Dividends paid to non-controlling interets	(as reported)		-2,204	1,514	-690	-1,468
Cash interest paid (as reported)	(as reported)		-8,013	4,651	-3,362	-5,752
Interest payments for zero-coupons bonds	(as reported)		-	-	-	-
Cash interest paid (used for metrics calculation)	(calculated)		-8,013	4,651	-3,362	-5,752
Cash interest received	(as reported)		2,427	-100	2,327	2,378
Jump! lease EBITDA	(as above)		-86	86	-	-44
Factoring adjustment	(Fitch estimate)		694	-694	-	357
Supplier Finance adjustment			-	-	-	-
Cash flow from operations (Fitch-defined)	**(calculated)**		**32,866**	**-22,566**	**10,300**	**21,899**
EBITDA	(as above)		**42,918**	**-30,007**	**12,911**	**28,335**
Interest paid (excl. lease interest)	(calculated)	(i)	-6,125	3,238	-2,887	-4,552
Interest received	(as reported)	(j)	2,427	-100	2,327	2,378
Net Interest received (paid)	(calculated)	**(k)**	-3,698	3,138	-560	-2,173
Tax paid during the year	(as reported)		-1,504	195	-1,309	-1,409
Dividends received from equity investments	(as reported)	(l)	9	1,601	1,610	787
Dividends paid to non-controlling interests (NCI)	(as reported)	(m)	-2,204	1,514	-690	-1,468
Other items before FFO	(calculated)		-1,635	-1,114	-2,749	-2,176
Funds flow from operations (FFO)	**(calculated)**	**(n)**	**33,886**	**-24,673**	**9,213**	**21,895**
Change in working capital (reported)	(as reported)		-1,714	2,801	1,087	-353
Factoring adjustment	(as above)		694	-694	-	357
Supplier Finance adjustment			-	-	-	-
Change in working capital (Fitch-defined)	(calculated)		-1,020	2,107	1,087	4

Cash flow from operations (Fitch-defined)	**(as above)**	(o)	32,866	-22,566	10,300	21,899
Cash Capex (Fitch-defined)	**(calculated)**	(p)	-19,171	11,410	-7,761	-13,626
Capex intensity (%)	(calculated)					
EBITDA Net Leverage (Fitch-defined)			2.3	2.5	2.1	2.3
Net debt/(EBITDA after dividends paid to NCI and dividends received from associates and JVs)	(calculated)	g / (h + l + m)				
(CFO - capex)/Gross debt (%)	(calculated)	(o - p) / (e)	13.2	15.6	7.9	12.0

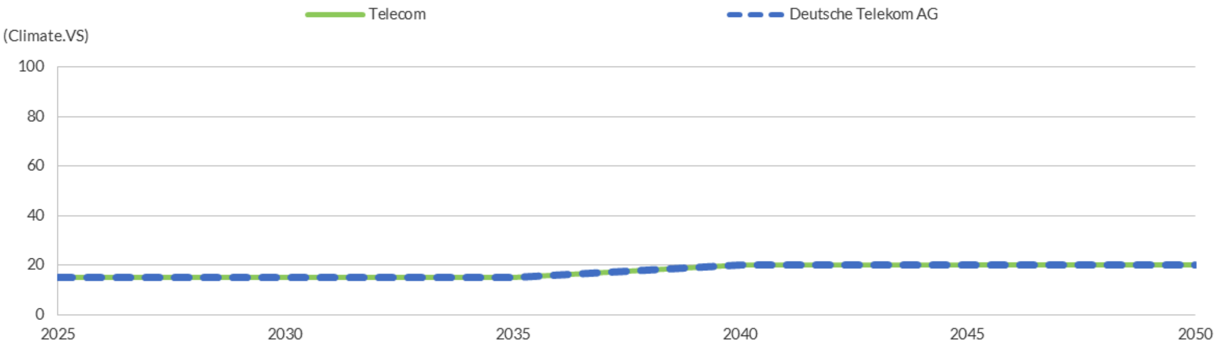
Note: DT share in TMUS as of end-2024 was 51.4% (including treasury shares)
Source: Fitch Ratings, Deutsche Telekom AG

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see our Corporate Rating Criteria. For more detailed, sector-specific information on how we perceive climate-related transition risks, see Climate Vulnerability Signals for Non-Financial Corporate Sectors.

The 9M25 revenue-weighted Climate.VS for DT for 2035 is 15, which is in line with telecom sector peers. DT derives most of its revenues from telecoms. We consider a score of 15 to be very low and have not incorporated climate risk in the rating.

Climate.VS Evolution
As of Sep 30, 2025



Source: Fitch Ratings

ESG Considerations

The highest level of ESG credit relevance is a score of ‘3’, unless otherwise disclosed in this section. A score of ‘3’ means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch’s ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch’s ESG Relevance Scores, click here.

FitchRatings

Deutsche Telekom AG

Corporates Ratings Navigator
Telecommunications

Credit-Relevant ESG Derivation

Deutsche Telekom AG has 8 ESG potential rating drivers

- Deutsche Telekom AG has exposure to energy productivity risk but this has very low impact on the rating.
- Deutsche Telekom AG has exposure to extreme weather events but this has very low impact on the rating.
- Deutsche Telekom AG has exposure to customer accountability risk but this has very low impact on the rating.
- Deutsche Telekom AG has exposure to labor relations & practices risk but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	8	issues	3
not a rating driver	1	issues	2
	5	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	1	n.a.	n.a.
Energy Management	3	Energy and fuel use in networks and data centers	Profitability
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.
Exposure to Environmental Impacts	3	Networks exposed to extreme weather events (e.g. hurricanes)	Profitability

E Relevance: 5, 4, 3, 2, 1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Data security; service disruptions	Market Position; Profitability
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Market Position; Profitability
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	2	Social attitudes toward network infrastructure	Diversification; Technology and Infrastructure; Profitability

S Relevance: 5, 4, 3, 2, 1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance

G Relevance: 5, 4, 3, 2, 1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.
The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

CREDIT-RELEVANT ESG SCALE
How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Ratings

Long-Term IDR	BBB+
Short-Term IDR	F2
Senior Unsecured Debt - Long-Term Rating	BBB+
Senior Unsecured Debt - Short-Term Rating	F2
Outlook	
Long-Term Foreign-Currency IDR	Stable

Click here for the full list of ratings

ESG and Climate

Highest ESG Relevance Scores	
Environmental	3
Social	3
Governance	3

2035 Climate Vulnerability Signal: 15

Applicable Criteria

Corporates Recovery Ratings and Instrument Ratings Criteria (August 2024)
Sector Navigators – Addendum to the Corporate Rating Criteria (June 2025)
Corporate Rating Criteria (June 2025)

Related Research

Global Corporates Sector Forecasts Monitor - September 2025
Western European Telecoms Outlook 2025 (January 2025)
European Telecom Incumbents – Peer Credit Analysis (May 2025)

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For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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