

# DEUTSCHE TELEKOM AG

Deutsche Telekom AG is a leading telecommunications provider offering fixed-line, mobile, internet, and TV services. With its T-Mobile brand, the company has a strong presence in both European and U.S. markets. The German infrastructure package is expected to further support ongoing fiber-optic expansion.

## Initial Situation

Deutsche Telekom AG, headquartered in Bonn, is one of the world's leading telecommunications companies. It provides fixed-line, mobile, internet, IPTV services, as well as ICT solutions for business customers.

The company's largest business segment is T-Mobile US, which generated approximately 66% of total group revenue in 2024. Europe (excluding Germany) contributes around 18%, while Germany itself accounts for about 14%. The remaining 2% come from system solutions and other areas. By business segment, roughly 87% of revenue comes from telecommunications services, 9% from IT services, and 4% from other offerings.

With over 250 million mobile customers worldwide, Deutsche Telekom is pursuing a clear growth strategy, particularly through investments in 5G, fiber optics, and digitalization. The company is seen as a stable dividend payer and an innovation leader in the sector.

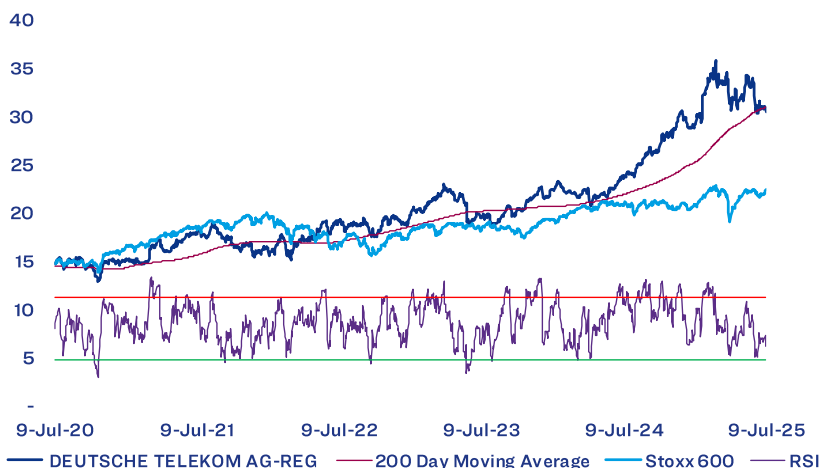
## Investment Suggestion

Following the merger of its U.S. mobile subsidiary T-Mobile US with Sprint, Deutsche Telekom AG is now one of the world's leading integrated telecom providers. The company is making strong progress with its Gigabit initiative, focusing on the expansion of fiber-optic networks—an effort likely to be further supported by the German infrastructure package. In the first quarter of 2025, Deutsche Telekom reported solid financial results. Revenue rose 6.5% year-over-year to EUR 29.76 billion, slightly above consensus estimates of EUR 29.68 billion. Adjusted EBITDA after lease payments increased by 7.9% to EUR 11.30 billion. The company has slightly raised its guidance for the full year.

Compared to its peers, Deutsche Telekom shares trade at a premium, primarily due to strong profitability. Following the share price decline in early June, we now see an attractive trading opportunity.

## Deutsche Telekom AG

ISIN	DE0005557508
Sector	Telecommunications
Currency	EUR
Market capitalisation	EUR 154.4 billion
Price change 1-year	+34.7 %
Price	EUR 30.56
Price target	EUR 37.94 (+22.5 %)
Price/book value	2.4
Price/earnings	15.7 (per 12/25)
Dividend yield	2.9 %
ESG-Rating	BBB



Source: Bloomberg, Neue Bank AG

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