

IR-Reporting an das Management „Tue Gutes und rede darüber“

Praxisbeispiel Deutsche Telekom, S. Eger & M. Göddertz



IR REPORTING AN DAS MANAGEMENT

ZENTRALE FRAGESTELLUNGEN

- 1 Wie muss ein gutes Top-Management IR-Reporting aussehen?
- 2 Welche Informationen braucht das Top-Management zur Beurteilung und Einschätzung der Leistung einer IR-Abteilung?
- 3 Welche Informationen braucht das Top-Management zum Abschneiden des Unternehmens am Kapitalmarkt?
- 4 Wie, wann und wem gegenüber sollte dies kommuniziert/präsentiert werden?
- 5 Praxisbericht Deutsche Telekom IR-Team



ZIEL DES AUSTAUSCHES MIT DEM VORSTAND

ENGE UND REGELMÄßIGE ABSTIMMUNGEN SEHR WICHTIG

1

Update an das Managements über die wichtigsten Ereignisse an den Börsen, Erwartungshaltung/Feedback des Kapitalmarktes an das Unternehmen und bedeutende Entwicklungen im Aktionariat

2

Darstellung der Aktivitäten des Unternehmensbereiches Investor Relations, wie z.B. Vertriebsplanung, -steuerung und -leistung, Erfassung der Erwartungen des Marktes an das Unternehmen, Update zu Sonderthemen wie HV, Kapitalmarkttag, etc.

Vorstand

3

Einbindung des Vorstandes bei geplanten Vertriebsaktivitäten, Detailabstimmungen zur Equity-Story, Besprechung der nächsten Schritte bei Großprojekten

KERNELEMENTE UNSERES IR REPORTINGS

FOKUS AUF 5 THEMENKOMPLEXE

Performance

- Kurs- und TSR-Entwicklung über verschiedene Zeiträume
- Analyse der Wettbewerberperformance im Vergleich zur eigenen Kursentwicklung unter Berücksichtigung des Marktumfeldes
- Darstellung kursrelevanter Ereignisse

Bewertung

- Entwicklung der Analystenempfehlungen von der Deutschen Telekom im Vergleich zum Wettbewerb
- Entwicklung von marktüblichen Ratios wie z.B. EV/EBITDA, FCF Yield und P/E ratios

Erwartungen

- Umfangreiche Darstellung der Markterwartungen bezüglich wichtiger Finanzkennzahlen für verschiedene Zeiträume
- Abweichungsanalyse der Markterwartungen vs. interner Planzahlen bzw. erwarteten Ergebnissen

Investoren

- Größte Zu- und Abverkäufe im abgelaufenen Quartal
- Umfassende Analyse der Veränderungen im Aktionariat
- Darstellung der Ergebnisse des aktuellen Targetings (Top Chancen vs. größte Risiken); Länder-Deep-Dives

Aktivitäten

- Darstellung der aktuellen Vertriebsaktivitäten (Calls vs. Roadshows vs. Conferences)
- Kundenfeedback zu IR Aktivitäten wie z.B. Kapitalmarkttag
- Vorstellung von IR Sonderprojekten wie z.B. Bereichsumbau






Deutsche Telekom IR SEMI-ANNUAL BOARD REPORTING



PRAXISBEISPIEL DEUTSCHE TELEKOM

STRUCTURE

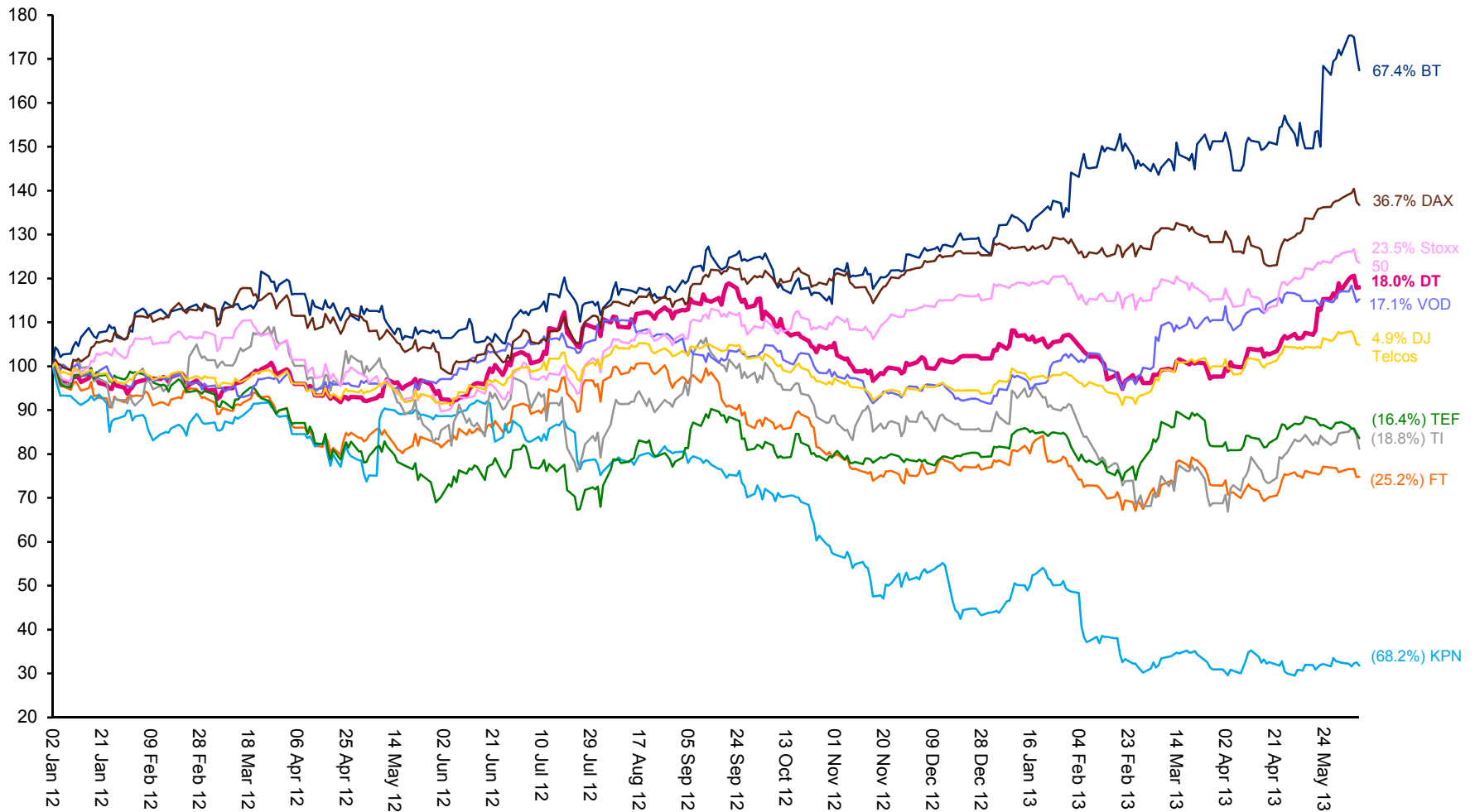
SEMI-ANNUAL BOARD REPORTING ON IR ACTIVITIES AND EFFICIENCY

1	Share Price Performance <ul style="list-style-type: none">▪ DT Share price performance vs. Peers FY 2012 and YTD▪ Share Price development and influencing factors Jan and Feb 2013	Status 
2	Analyst Recommendations <ul style="list-style-type: none">▪ DT vs. Peers Today and Previous Year▪ DT Valuation vs. Sector	Status 
3	Q4/12 Communication: Consensus Management <ul style="list-style-type: none">▪ Consensus overview Q4, FY12, FY13	Status 
4	Investor Targeting <ul style="list-style-type: none">▪ Shareholder Structure, Movements and Investment Style▪ Investor Targets and Regions▪ Targeting Activities 2013	Status 
5	IR Activities <ul style="list-style-type: none">▪ Review Activities 2012▪ CMD 2012 Review▪ IR 2013 post SHQ	Status 

SHARE PERFORMANCE

TSR DEVELOPMENT 02 Jan 2012 – 24 May 2013.

THE TELCO SECTOR HAS LAGGED BEHIND THE OVERALL MARKET

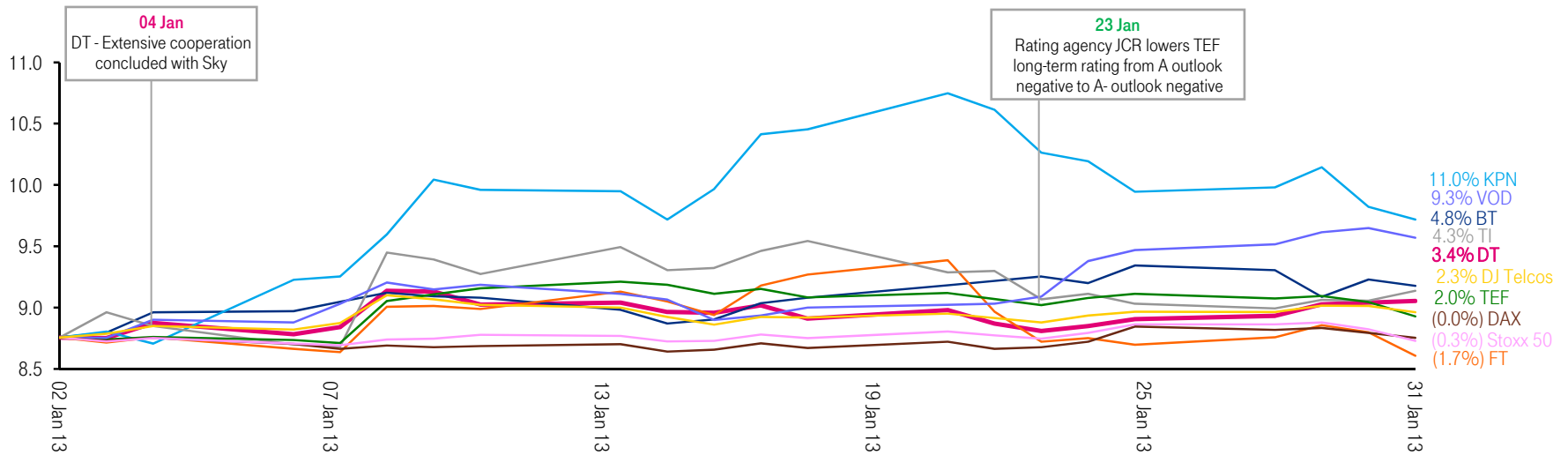


ERLEBEN, WAS VERBINDET.

Source: Factset.

SHARE PRICE DEVELOPMENT JAN 2013.

SHARE PRICES IN THE TELCO SECTOR BROADLY INCREASED IN LINE WITH MARKET



Drivers

Telco Sector

- ▲ Investor interest in the European fixed line regulatory environment picked up (discussion around a pan European network)
- ▲ Strong results from Verizon Wireless
- ▲ Falling credit spreads and overall short-term positive telco market sentiment

DT

- Press speculation suggests that DT is considering a disposal of Scout24
- ▼ Worry that the announced T-Mobile US capex increase is not enough to improve coverage and negative read across from Verizon Wireless results (market share gains)
- ▼ EE signed an MVNO agreement with Phones4U on both 3G and 4G; seen as a negative giving up the 4G USP so early

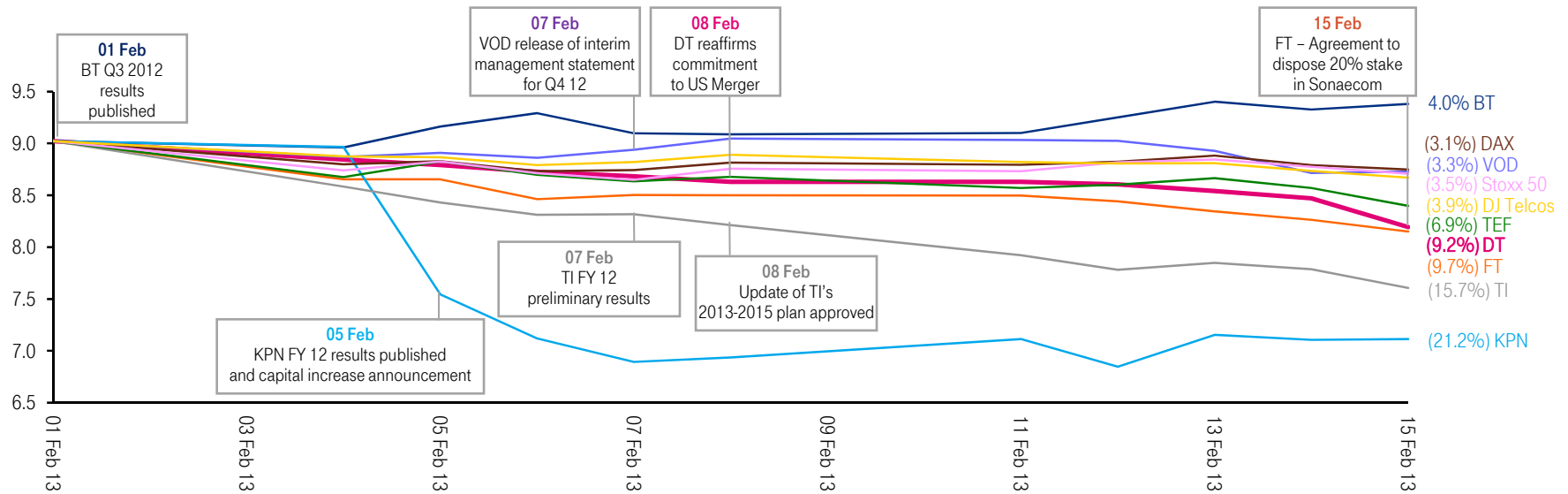


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Source: Factset.

SHARE PRICE DEVELOPMENT FEB 2013.

NEGATIVE RESULTS ANNOUNCEMENTS IN THE TELCO SECTOR AND INCREASED M&A



Drivers

Telco Sector

- ▲ Liberty Global bid for Virgin Media, Vodafone interest in KDG
- ▲ Speculation around AT&T interest to acquire European player
- ▼ Negative KPN results and cap increase
- ▼ Vodafone results below expectations, indicating tougher pricing environment

DT

- ▲ Speculation on EE: PE interest and IPO plans
- ▼ KPN announced additional commercial investments for E-Plus in 2013; VOD aims to increase market share in Germany
- ▼ Negative reaction to VOD / KDG rumors
- ▼ Concerns around amount of leverage at T-Mobile US / MetroPCS merger (Paulson)
- ▼ TPSA profit warning raising concerns over Eastern European Telco assets, with negative read across for DT



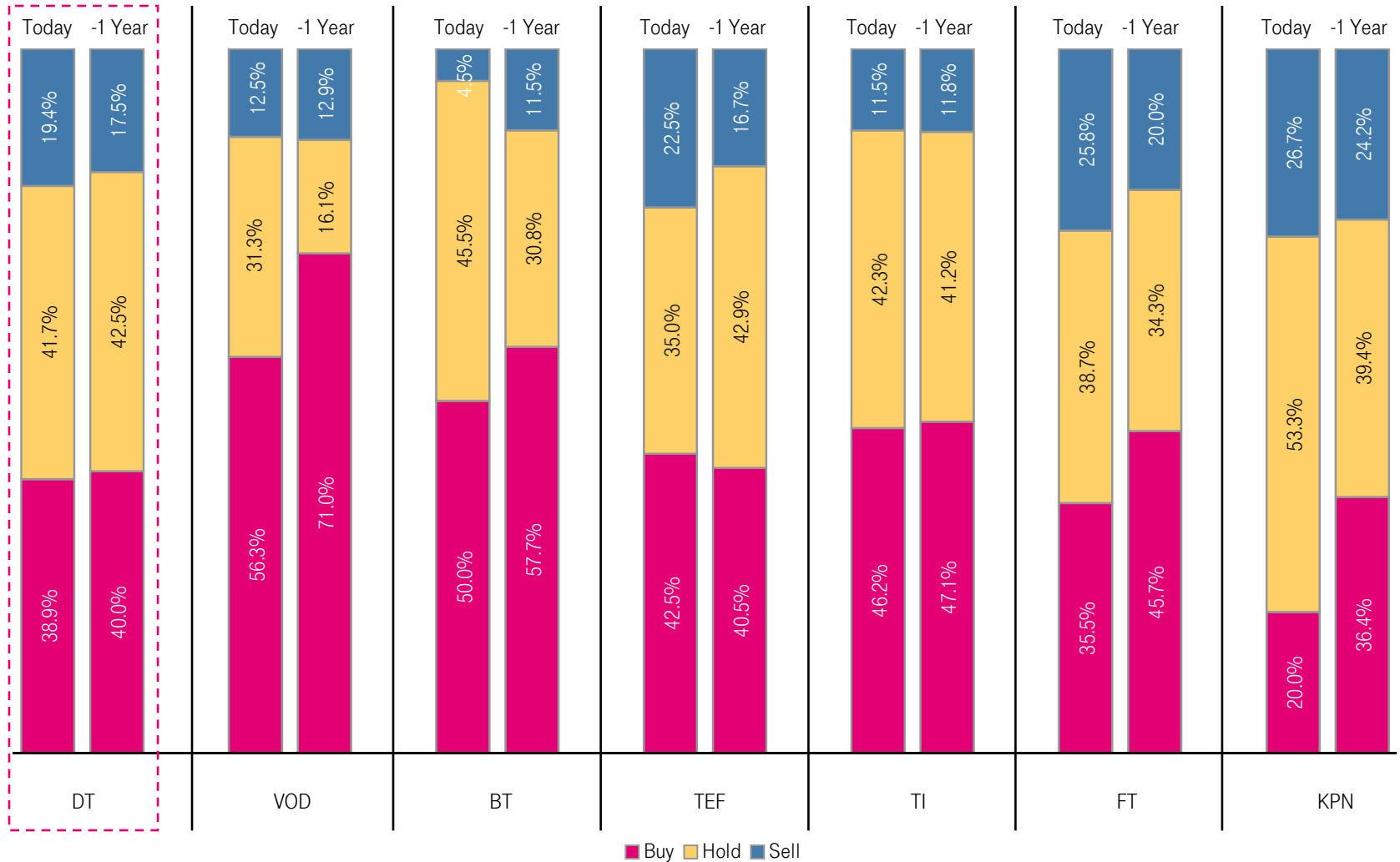
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Source: Factset.

ANALYST RECOMMENDATIONS/ VALUATION

ANALYSTS VIEW

DECREASING BUY RECOMMENDATIONS FOR TELCO SECTOR

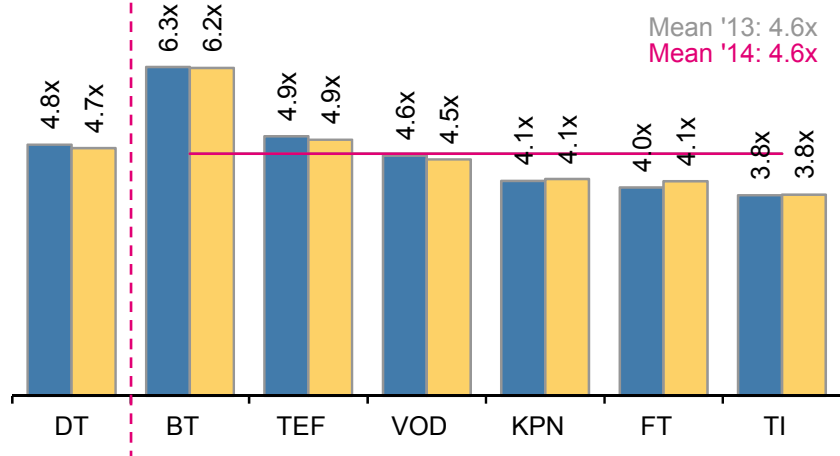


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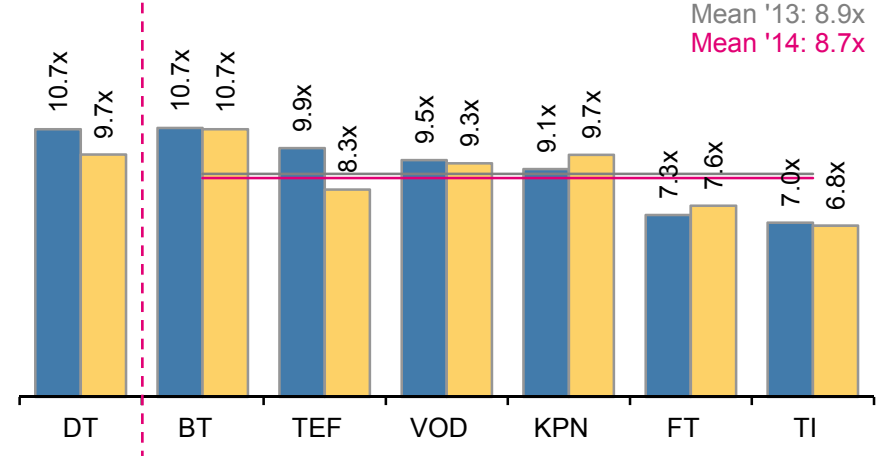
MULTIPLE OVERVIEW

DT VALUATION ABOVE AVERAGE IN 2013 & 2014

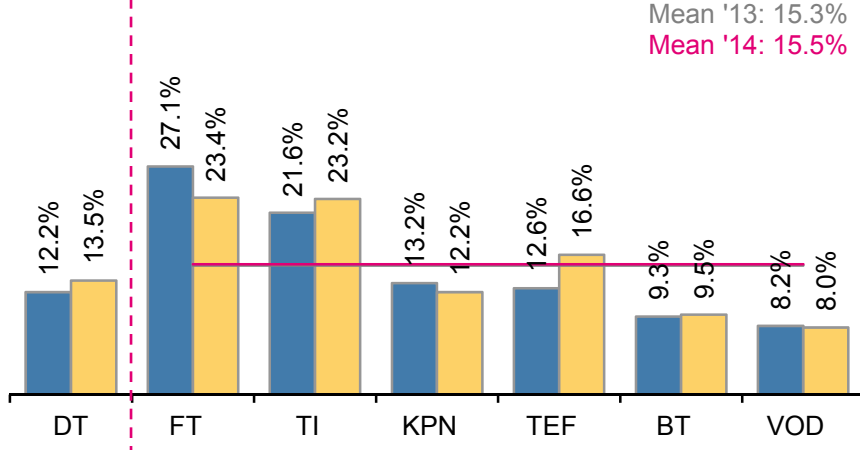
EV / EBITDA



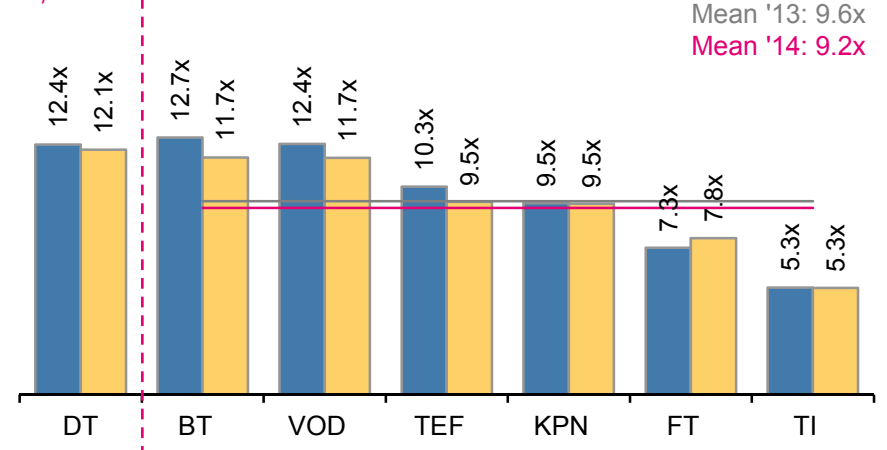
EV / AFCF



FCF Yield



P/E



■ 2013 ■ 2014

Source: Company information, Factset. Data as per 24 May, 2013.
 Note: AFCF is defined as EBITDA less capex. FCF is defined as AFCF less net interest expense and taxes.
 Vodafone has been adjusted for their stake in Verizon Wireless.

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Q4 COMMUNICATION / CONSENSUS MANAGEMENT

CONSENSUS DASHBOARD Q4 2012 AND FY 2012

ADJ. EBITDA AND ADJ. NET INCOME BELOW CONSENSUS

Q4 2012

Rev.	Cons.	14,613
	Delta	94
	% of Cons.	0,6%
	Actual	14,707

EBITDA (adjusted)	Cons.	4,133
	Delta	-106
	% of Cons.	-2,6%
	Actual	4,027

Segment Details

Segment	Cons.	Delta	%	Act.
D	5690	41	1%	5731
USA	3742	51	1%	3793
EU	3586	9	0%	3595
TSI	2686	143	5%	2829
GHS	745	57	8%	802
Recon	-1852	-191	10%	-2043

Segment Details

Segment	Cons.	Delta	%	Act.
D	2,161	-88	-4%	2,073
USA	814	-9	-1%	805
EU	1,202	18	1%	1,220
TSI	231	9	4%	240
GHS	-254	-64	-25%	-318
Recon	-11	18	-164%	7

Free Cash Flow	Cons.	1,065
	Delta	40
	% of Cons.	3,7%
	Actual	1,105

Capex (cash)	Cons.	2,513
	Delta	-74
	% of Cons.	-2,9%
	Actual	2,439

Net Income (adjusted)	Cons.	412
	Delta	-209
	% of Cons.	-50,8%
	Actual	203

Segment Details

Segment	Cons.	Delta	%	Act.
D	1,015	4	0,4%	1019
USA	627	72	11,5%	699
EU	504	74	14,7%	578
TSI	358	35	9,7%	393
GHS	118	11	9,3%	129

Net-Debt	Cons.	37,322
	Delta	-462
	% of Cons.	-1,2%
	Actual	36,860

FY 2012

Rev.	Cons.	58,075
	Delta	94
	% of Cons.	0,2%
	Act	58,169

EBITDA (adjusted)	Cons.	18,064
	Delta	-86
	% of Cons.	-0,5%
	Act	17,978

Guidance: around 18,000

Segment Details

Segment	Cons.	Delta	%	Act
D	22,694	42	0%	22,736
USA	15,312	59	0%	15,371
EU	14,402	6	0%	14,408
TSI	9,881	135	1%	10,016
GHS	2,879	99	3%	2,978
Recon	-7,179	-161	2%	-7,340

Segment Details

Segment	Cons.	Delta	%	Act
D	9,247	-82	-1%	9,165
USA	3,843	-3	0%	3,840
EU	4,904	17	0%	4,921
TSI	738	9	1%	747
GHS	-631	-64	10%	-695
Recon	-28	28	-100%	0

Free Cash Flow	Consensus	6,140
	Delta	99
	% of Cons.	1,6%
	Act	6,239

Capex (cash)	Consensus	8,430
	Delta	2
	% of Cons.	0,0%
	Act	8,432

Guidance: around 6,000

Net Income (adjusted)	Cons.	2,706
	Delta	-177
	% of Cons.	-6,6%
	Act	2,529

Segment Details

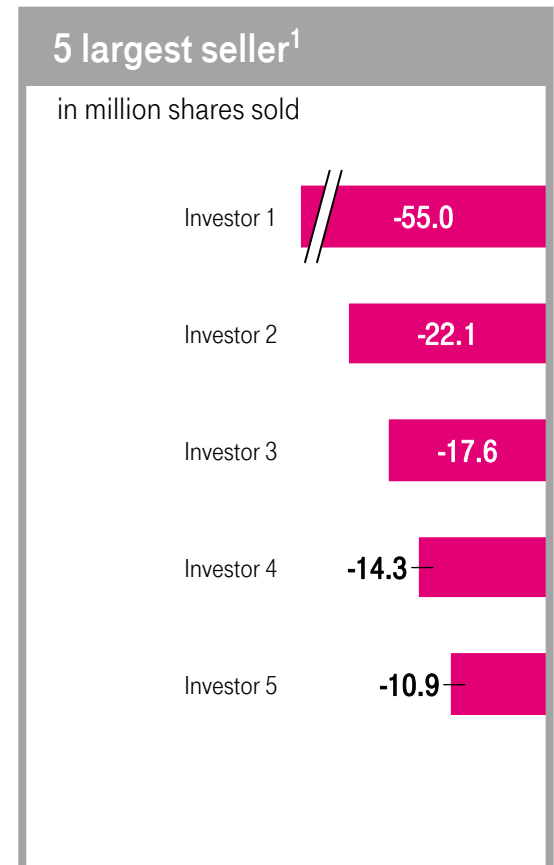
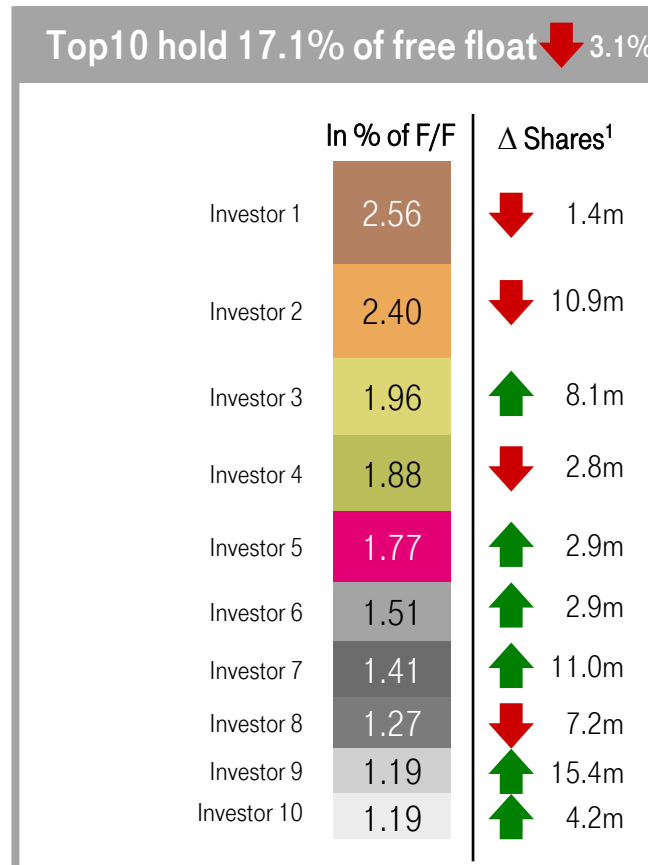
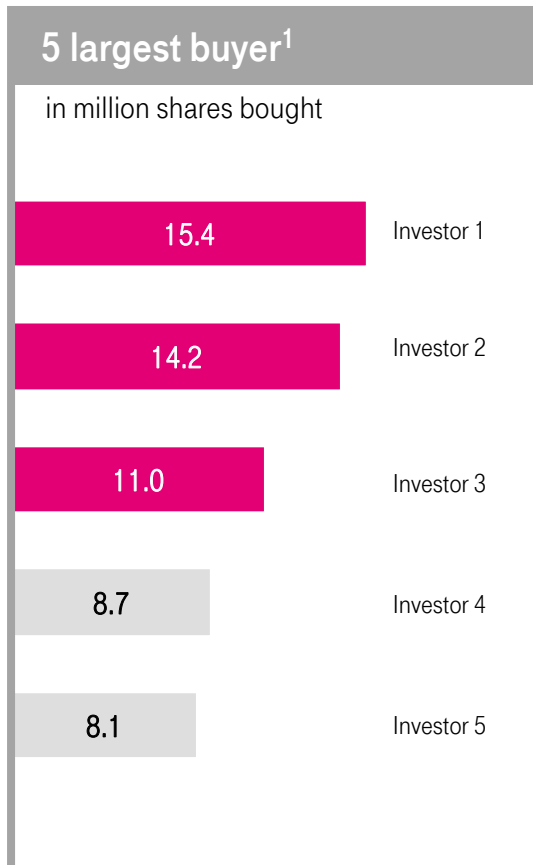
Segment	Cons.	Delta	%	Act
D	3,399	19	0,6%	3418
USA	2,421	139	5,8%	2560
EU	1,616	82	5,1%	1698
TSI	1,137	50	4,4%	1187
GHS	397	7	1,7%	404

Net-Debt	Cons.	37,383
	Delta	-523
	% of Cons.	-1,4%
	Act	36,860

INVESTOR TARGETING

Q4: X, Y AND Z NEW IN TOP 10

NO. B INVESTOR NO LONGER SHAREHOLDER, TOP TEN CONCENTRATION DOWN BY MORE THAN 3PP

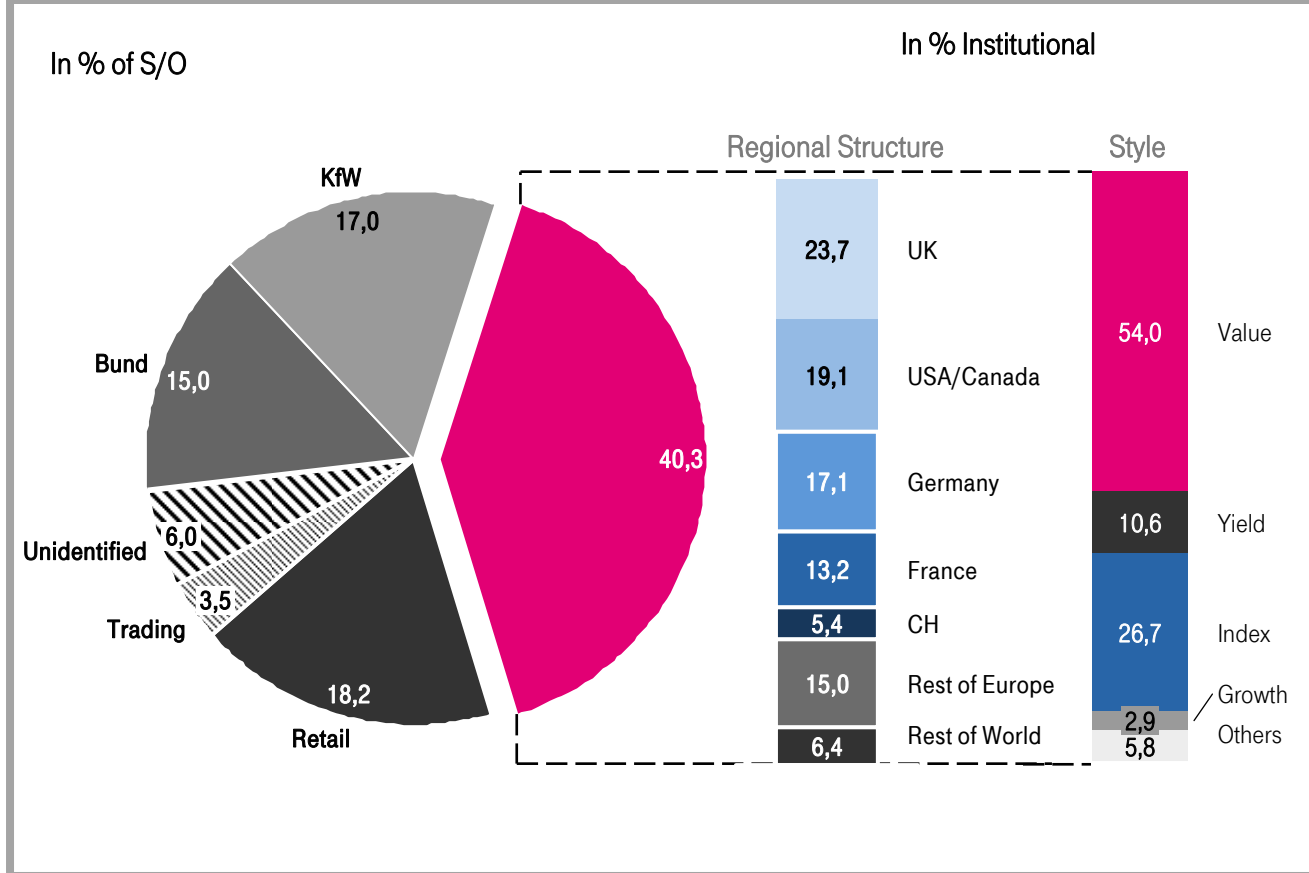


¹within Q4/2012
* company-related shareholder (not considered in free float)

DT SHAREHOLDER STRUCTURE AND STYLE

4PP DROP OF VALUE INVESTORS, INCREASE OF INDEX AND RETAIL INVESTORS

As of 31 December 2012 68% of total shares are floated



FY Trends

- Share of identified investors: 94.0%
- North America dropped by 1.3pp mainly due to B, which cleared its position completely
- Concentration of institutional capital dropped -1.1 pp
- Rising share of Retail investors +1.8pp
- UK position up by 2.2pp mainly due to X, Y and Z
- France down by 0.9pp; Switzerland decreased 0.4pp
- Index investors up by almost 4pp
- On the contrary, yield investors down by around 4pp

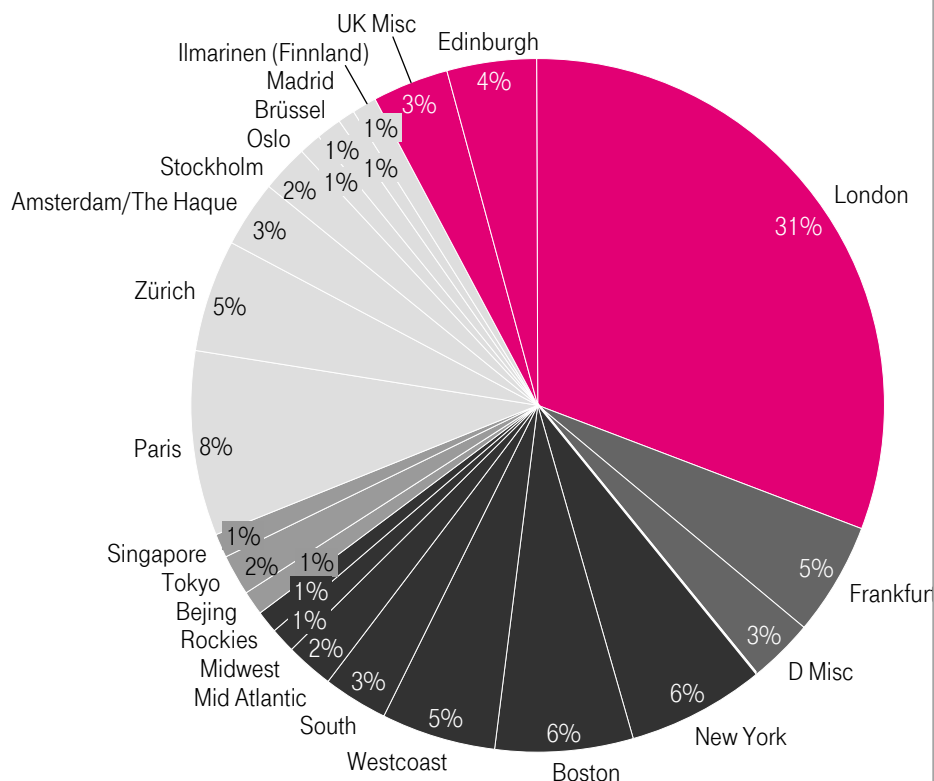


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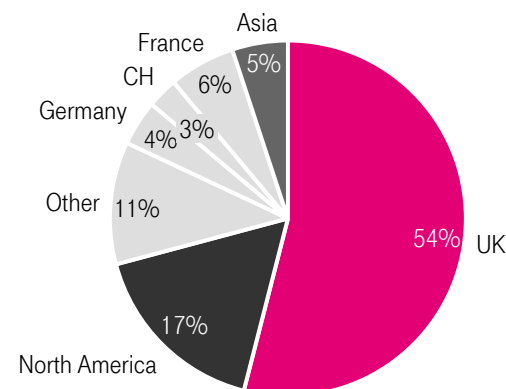
INVESTOR TARGETING

LONDON REMAINS THE PLACE TO GO IN 2013

Relevant destinations (in % of investors)¹



Relevant regions (in % of buying power)² 1



- Top destination is London with one third of all potential investors and 54% of capital
- 24% of investors in US, with 17% of total buying power, but US targets widespread across the country. The highest underweight volume can be found on the West and East Coast.
- Minor gaps in Nordic and Spain
- Since German is OW in DT again no gaps to close, but retention focus required. The same applies for France and Benelux



¹Covers all targets with a gap to fair share > \$50m, excluding passive investors

²Buying Power is defined as the investment of a investor into the Telco peer group x fair share of DT in that group

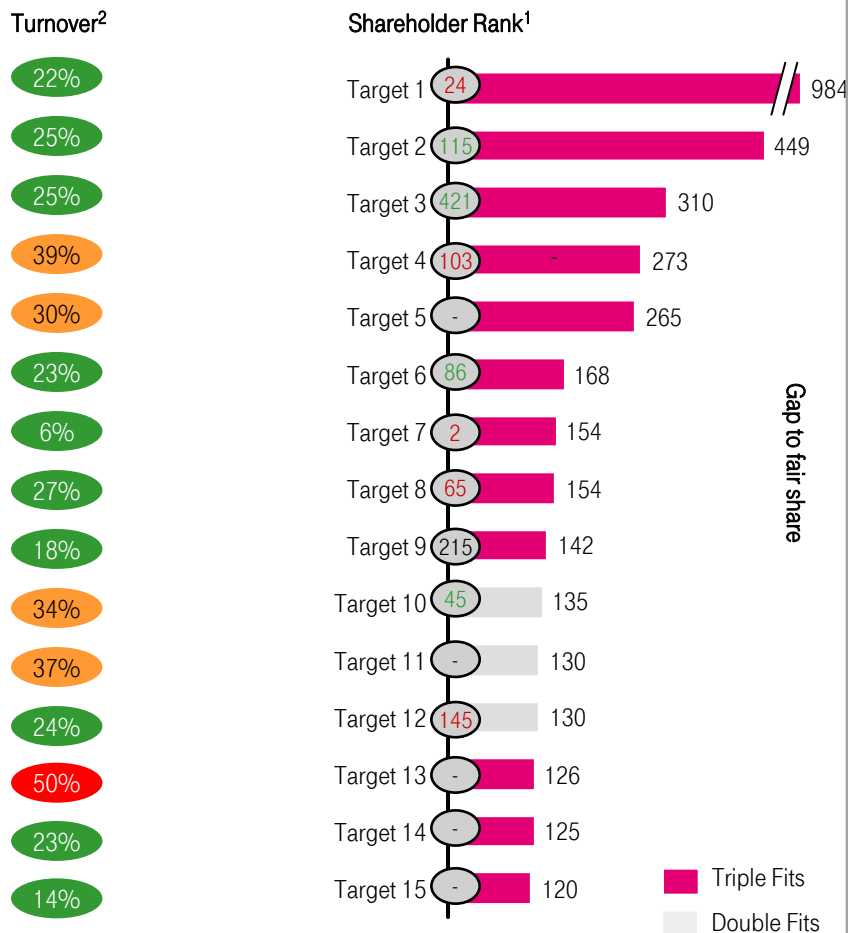
INVESTOR TARGETING

Q4 Best Fit

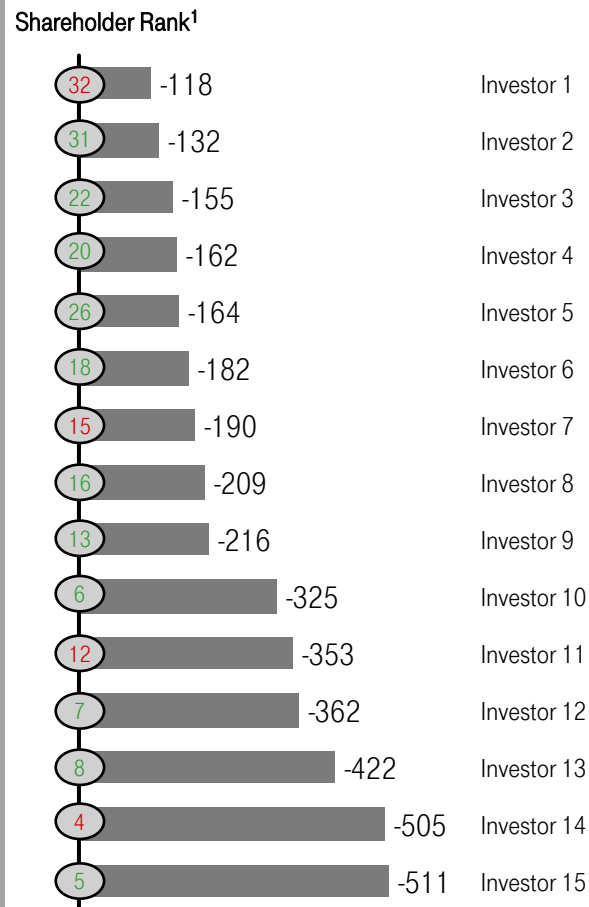


BIGGEST TARGETS AND RETAINERS

Attract - Best fits by highest underweight volume (in \$mm)



Retain - Best fits by highest overweight volume (in \$mm)



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¹based on the amount of shares hold (only institutional investors), red indicates a lower rank than previous quarter, green a higher rank compared to Q3/2012

²based on the investors' turnover for all equity assets hold

TRANSLATION INTO IR ACTIVITIES FOR 2013*

	Conferences	Roadshows	Investormeetings
Q1	<ul style="list-style-type: none"> ▪ Citi Annual IMT, Las Vegas ▪ Commerzbank German Invest; NY ▪ LBBW Forum, Stuttgart ▪ <i>Citi Telco Conf, London</i> 	<ul style="list-style-type: none"> ▪ Benelux 	<ul style="list-style-type: none"> ▪ Group via Nomura ▪ Group via Morgan Stanley ▪ SRI Call Generali - IR ▪ Group via Newstreet ▪ Highfields - IR
Q2	<ul style="list-style-type: none"> ▪ JP Morgan TMT, Boston ▪ <i>SocGen Telco, Paris</i> ▪ ML TMT, London ▪ Exane BNP Seminar, Paris ▪ <i>Santander TMT</i> 	<ul style="list-style-type: none"> ▪ Eastcoast or FFM& Zurich ▪ London or FFM & LND ▪ Edingburgh & Dublin ▪ London ▪ Germany ▪ Austria & Switzerland ▪ Nordic 	<ul style="list-style-type: none"> ▪ Group via Exane
Q3	<ul style="list-style-type: none"> ▪ Commerzbank Sector Conf ▪ <i>DB TMT, London</i> ▪ <i>Credit Suisse, London</i> ▪ GS German Corp, Munich ▪ GS Communacopia, NY 	<ul style="list-style-type: none"> ▪ Q2 results ▪ Q2 results ▪ Spain - IR 	<ul style="list-style-type: none"> ▪ Group via JP Morgan
Q4	<ul style="list-style-type: none"> ▪ Sanford Bernstein, London ▪ MS TMT, Barcelona 	<ul style="list-style-type: none"> ▪ Paris ▪ Mailand ▪ Spain ▪ London 	



IR ACTIVITIES

IR ACTIVITY STATISTICS 2010 - 2012

CONSTANT INCREASE OF ACTIVITIES

2010	2011	2012
<ul style="list-style-type: none">▪ 96 Events<ul style="list-style-type: none">- 41 Roadshows- 23 Conferences- 32 Investor Meetings	<ul style="list-style-type: none">▪ 108 Events<ul style="list-style-type: none">- 21 Roadshows- 25 Conferences- 62 Investor Meetings	<ul style="list-style-type: none">▪ 165 Events<ul style="list-style-type: none">- 22 Roadshows- 18 Conferences- 125 Investor Meetings

- Steep increase of investor meetings (investor calls) -> increased efficiency and reduced travel expenses
- Focus on most important conferences; 'less is more'



BITTE RUFEN SIE UNS BEI RÜCKFRAGEN AN!

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VIELEN DANK!