

Press conference on the Q3 2025 results

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– Check against delivery –

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I would like to break down my comments into three sections:

First, I will go into the development of the Group's financials in the third quarter of 2025. I will then talk about the operational development of the segments in the three-month period. Finally, I will comment on the development of free cash flow, adjusted net profit, and net debt in the third quarter of 2025.

The Group's financials developed well in the three months from July to September 2025.

Reported net revenue rose by 1.5 percent to 28.9 billion euros in these three months. That is growth of 434 million euros. This includes negative exchange rate effects – almost entirely from the U.S. dollar – of 1.12 billion euros.

Reported service revenue in the Group increased by 2.2 percent to 24.7 billion euros. This increase of 543 million euros was reduced by exchange rate effects totaling 935 million euros.

The Group's reported adjusted EBITDA AL rose in the third quarter by 0.2 percent to 11.1 billion euros. That is an increase of 18 million euros, which included reducing effects from changes in exchange rates of 431 million euros.

This brings me to the development in the operating segments.

First, T-Mobile US, which already reported its figures – in accordance with U.S. GAAP – on October 23.

T-Mobile US achieved record customer growth in the three-month period. This was driven by the combination of the best network, the best value for money, and the best customer experience.

Total postpaid net additions amounted to 2.3 million in the three months, marking the best third quarter in the Company's history. This was industry-leading and a clear increase against the third quarter of 2024, when net additions stood at around 1.6 million. This growth also put T-Mobile above the average analyst expectation, which stood at around 1.6 million.

The particularly valuable postpaid phone net additions stood at 1.01 million. That was around 142,000 more than in the same period of the prior year, and was likewise well over the average analyst expectation of around 846,000 additions.

This growth in the customer base was industry-leading and the highest in a third quarter at T-Mobile US in over a decade. T-Mobile US achieved this growth despite a slight year-on-year increase in churn to 0.89 percent, up from 0.86 percent in the same period of 2024. Compared with the prior quarter – i.e., Q2/2025 – churn improved slightly.

T-Mobile US recorded broadband customer net additions of 560,000. This includes both postpaid and prepaid customers who have chosen a product from the 5G broadband or fiber-optic offering. This put the Company ahead of the average analyst expectation of 432,000 net additions.

That makes 14 successive quarters now of T-Mobile US winning more than 400,000 net additions.

The broadband customer base has grown to 8.9 million as of the end of the third quarter of 2025. So, T-Mobile US is still on track to meet its long-term target of

12 million broadband customers by 2028 and between 12 and 15 million homes passed in the fiber-optic business.

T-Mobile US' reported service revenues (under U.S. GAAP) increased by 9.1 percent in the three-month period compared with the same period of 2024 to 18.2 billion dollars; that is an increase of 1.52 billion U.S. dollars. That is the strongest percentage growth in the U.S. industry.

Postpaid service revenue increased by 11.8 percent year-on-year, which was also the strongest growth in the industry.

Core adjusted EBITDA (under U.S. GAAP) increased by 5.6 percent in the third quarter of 2025 to 8.7 billion U.S. dollars, an increase of 458 million dollars. That was also the highest growth rate in the industry.

There are two key drivers behind the development of T-Mobile US' financials: the strong growth in customer numbers and increased profitability. Average monthly revenue per account – i.e., per contractual relationship, which includes multiple products – increased by 3 percent year-on-year to 149.44 U.S. dollars. Average monthly revenue per postpaid phone customer increased by 2 percent year-on-year to 50.71 U.S. dollars.

That brings me to the business in Germany.

The broadband market in Germany has long been characterized by low market growth amid persistently strong competition and increasing customer growth among alternative network operators.

In the third quarter of 2025, the number of broadband lines in our business declined by 25,000, while in the same quarter of 2024 we had still recorded growth of 38,000. In this environment, we remain focused on value growth in the customer base and on growing our fiber customer base. In business with consumers, we increased average monthly revenue per broadband line by 3.6 percent compared with the third quarter of 2024.

We again saw a big increase in the number of customers with lines offering speeds of 100 Mbit/s or faster, with this figure rising by 0.6 million to 8.1 million customers.

The number of new customers using an FTTH line increased by 155,000 in the third quarter of 2025 – marking a record quarter, which is 18 percent more than in the period from July to September 2024.

That took the percentage of customers using an end-to-end fiber-optic line to 16.1 percent as of the end of September 2025, compared with 14.6 percent a year earlier. The number of customers using an end-to-end FTTH line increased by 41 percent year-on-year to 1.9 million.

In the TV business, we won 27,000 net adds in the third quarter of 2025. In the prior-year quarter, net adds stood at 76,000. It should be noted, however, that the third quarter of 2024 received a boost from the broadcasting of the UEFA European Championship on MagentaTV as well as by the abolition of the “Nebenkostenprivileg” (the privilege for property owners to pass on cable TV and internet service fees as ancillary rental costs to tenants).

In the German mobile communications business, we continue to focus on building out our network and market leadership. Branded contract net adds stood at 314,000 in the third quarter of 2025, down from 327,000 net adds in the same quarter of the prior year. Our new product portfolio ‘Next Magenta 4.0’ is being very well received by customers.

Despite persistent intense competition, we also reduced contract consumer churn to 0.8 percent in the third quarter of 2025 compared with 0.9 percent in the same period of the prior year.

Service revenues in the Germany segment increased by 0.4 percent year-on-year in organic terms in the third quarter of 2025.

Mobile service revenues increased by 1.8 percent in organic terms. This solid development in mobile communications was mainly driven by the very robust performance of the consumer business.

In the Germany fixed-network business, service revenues fell by 0.3 percent year-on-year in organic terms in the third quarter of 2025, for three main reasons.

First, we had very strong B2B growth in the third quarter of 2024.

Second, in the third quarter of 2025, there was a weakness in the B2B business, mainly on account of the difficult economic circumstances, for example, there has been a sharp increase in insolvencies in the year to date as well as a decline in IT revenues.

Third, we also reported particularly weak wholesale revenues in the third quarter of 2025.

Broadband revenues increased by 2.1 percent year-on-year in the three months in organic terms.

This development was driven by value growth in the customer base. Among consumers in the broadband business, average monthly revenue per account increased by 3.6 percent year-on-year in the third quarter of 2025.

Wholesale access revenues decreased slightly by 0.1 percent year-on-year in the third quarter in organic terms.

We remain on track for our target from the 2024 Capital Markets Day to keep wholesale access revenues stable through the planning period from 2023 to 2027.

Total reported revenue in the Germany segment declined by 1.8 percent in the third quarter of 2025 to 6.3 billion euros. In addition to lower terminal equipment revenues, this was driven by the absence of revenues that were generated in 2024 from the

sub-licensing of broadcasting rights in connection with the 2024 UEFA European Championship.

Reported adjusted EBITDA AL increased in the third quarter of 2025 by 0.1 percent to 2.7 billion euros. It also increased by 0.1 percent in organic terms. The development of earnings was affected in part by the increase in employee salaries under the collective agreement dated October 1, 2024 and August 1, 2025.

That brings me to the development in the Europe operating segment.

Here we saw the very robust growth in customer numbers continue in the third quarter of 2025.

Mobile contract net adds stood at 129,000. This is lower than the prior-year figure of 173,000, because an adjustment of around 60,000 inactive customers was made to the customer base in Romania, reducing net adds in the third quarter of 2025.

Broadband net adds stood at 57,000, after an increase of 48,000 in the prior-year period.

FMC net adds remained stable against the prior-year period at 143,000, while TV net adds stood at 38,000.

Total reported revenue in the Europe segment increased by 2.2 percent in the third quarter of 2025 to 3.2 billion euros; this also corresponded to organic growth. Service revenues increased by 3.3 percent year-on-year on an organic basis.

Reported adjusted EBITDA AL in the Europe segment increased by 4.6 percent in the three months from July to September 2025 to 1.2 billion euros. Organic growth was at the same level. This means the Europe segment has generated organic EBITDA growth for 31 consecutive quarters. We are still on track here to meet the target we set at the 2024 Capital Markets Day for average annual earnings growth of between 4 and 5 percent in the period from 2023 to 2027.

Over the last twelve months, T-Systems increased its cumulative order intake by 3.7 percent compared to the same period last year.

T-Systems' reported revenue increased by 2.3 percent to EUR 1.01 billion. This growth was mainly driven by the Digital and Road Charging areas. The public sector is also becoming increasingly important for the T-Systems business.

Reported adjusted EBITDA AL in the segment increased by 23.7 percent in the three-month period to 127 million euros. That means we are still on track to meet our guidance from the 2024 Capital Markets Day of average earnings growth of over 5 percent per year for the period from 2023 through 2027.

Now, I come to the development of the key financials, first of all, free cash flow AL.

Free cash flow AL declined by 9.2 percent year-on-year to 5.6 billion euros in the third quarter of 2025.

Free cash flow was reduced by an increase in cash capex of 400 million euros in the third quarter of 2025. This was mainly attributable to an increase of around 455 million euros in the United States, while cash capex in Germany fell by around 50 million euros. The increase in the United States is related to a higher cash capex planning and the acquisition of UScellular.

The decline in net cash from operating activities of around 82 million euros is attributable to the weaker U.S. dollar with a reducing effect of around 0.5 billion euros. The U.S. dollar was around 7 cents weaker year-on-year and had an arithmetical translation effect on EBITDA of around 0.5 billion euros.

The development of free cash flow is known to be quite volatile from quarter to quarter, so it is important to look at it in the course of the full year. After nine months, the development has been very positive overall, with growth in free cash flow AL of 6.8 percent.

Adjusted net profit increased by 14.3 percent in the third quarter of 2025 to 2.7 billion euros. In the first nine months of 2025, adjusted net profit increased by around 8 percent compared with the same period of 2024.

Between July and September 2025, the increase in adjusted net profit of 295 million euros compared with the third quarter of 2024 had an upward effect on adjusted consolidated net income. In addition, in the third quarter of 2025, the share of net profit attributable to non-controlling interests declined by around 128 million euros and the tax expense fell by around 18 million euros compared with the same quarter of the prior year.

Factors reducing adjusted net profit included an increase in depreciation, amortization and impairment losses of around 92 million euros.

We also recorded a slight decline in adjusted EBITDA of 14 million euros, resulting from the translation of T-Mobile US' earnings with a weaker U.S. dollar than in the prior-year period. This alone had a decreasing effect on adjusted EBITDA of around 0.5 billion euros.

That brings me to the development of net debt and the leverage ratio as of September 30, 2025, compared to the middle of 2025. Net debt – i.e., excluding leases – increased by 5.2 billion euros in this period to 98.2 billion euros.

Free cash flow AL had a reducing effect in the third quarter of 5.6 billion euros.

M&A activities in the third quarter increased net debt by 7.9 billion euros in total. This primarily related to the acquisition by T-Mobile US of UScellular in the United States with a volume of around 5 billion euros.

T-Mobile US' buy-back of shares increased net debt by around 1.2 billion euros. The amount relating to Deutsche Telekom's sale of T-Mobile US shares has already been offset here, without jeopardizing the majority ownership position in the U.S. company.

In the same period, Deutsche Telekom's buy-back of shares increased liabilities by 0.6 billion euros.

Dividend payments of around 0.6 billion euros – mainly by T-Mobile US – increased liabilities as well.

A net amount of around 0.4 billion euros related to payments in connection with mobile spectrum in the third quarter of 2025.

Deutsche Telekom Group's leverage ratio was also affected by the changing value of the U.S. dollar in the third quarter of 2025.

The ratio of net debt excluding leases to adjusted EBITDA AL fell to 2.23 at the end of the third quarter of 2025 compared with 2.31 at the end of 2024. The ratio of net debt including leases to adjusted EBITDA declined as of the end of September 2025 to 2.64x, down from 2.78x as of the end of 2024.

As such, we fell short of our target of $\leq 2.75x$ by 2027, which was set at the 2024 Capital Markets Day. This shortfall was primarily attributable to exchange rate effects. However, the increase in absolute debt compared with the end of the second quarter of 2025 was expected, primarily as a result of the acquisition of UScellular.

It is highly encouraging for us that the rating agency Moody's raised its rating for Deutsche Telekom up a level from Baa1 to A3.