

– Check against delivery –

## **Press conference on the Q1 2026 financial figures**

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**Deutsche Telekom AG**

Good morning also from me, ladies and gentlemen.

I would like to break down my comments today into two sections.

- To begin with, I will set out the development of the operating segments in the first quarter of 2026.
- I will then go into the development of free cash flow, adjusted net profit, and net debt in the first quarter of 2026.

Since T-Mobile US already reported on April 28, I will be brief here.

T-Mobile US' first quarter of 2026 can be summed up in a few words: We continue to report industry-leading growth in postpaid accounts.

Our formula for success: a combination of the best network, the best value for money, and the best customer experience, as well as increasing differentiation in the market, is leading to substantial growth in new customer relationships.

In the first quarter of 2026, we increased the number of postpaid accounts by 217,000. That is higher than the prior-year figure of 205,000 accounts. Based on this, T-Mobile US has raised the mid-point of its guidance for the full year by 50,000 to 1 million expected new accounts.

On top of strong customer growth, we also increased profitability. ARPA – i.e., average monthly revenue per account – for postpaid accounts increased by

3.9 percent from 146 U.S. dollars in the prior-year period to 152 U.S. dollars. Moreover, churn is still high in the U.S. telecommunications market.

Total postpaid accounts increased from 31.1 million in the first quarter of 2025 to 34.4 million. This increase was driven by organic growth in the customer base, as well as, to a significant extent, by the effect of acquisitions, including UScellular and Metronet.

The U.S. broadband business also continues to grow apace. In the first three months of 2026, we recorded a net increase in the number of customers of more than 500,000, driven by FWA customers as well as new fiber-optic lines. This growth is stronger than in the same period of the prior year.

In terms of financial figures, T-Mobile US saw an increase in reported service revenue of 11.3 percent year-on-year in the first quarter of 2026 – under U.S. GAAP – to 18.8 billion U.S. dollars. This growth was bolstered by the acquisition of UScellular, among others. Postpaid service revenue increased by 15.0 percent year-on-year in the first quarter of 2026. This growth was driven by both the higher customer numbers and the higher average revenue per account, and was bolstered by the acquisition of UScellular and the new fiber joint ventures.

Core adjusted EBITDA under U.S. GAAP also increased, rising by 11.9 percent year-on-year to 9.2 billion U.S. dollars.

That brings me to business in Germany.

The broadband market has long been characterized by weak market growth amid persistently strong competition and constantly high customer growth among alternative network operators.

The continued positive trend in the broadband business enjoyed by our second brand, Congstar, is encouraging.

In our Germany operating segment, the total number of broadband lines decreased slightly in the first quarter of 2026, by 3,000 compared with the end of 2025. In the first quarter of 2025, this decline had stood at 7,000 broadband lines.

This shows a stabilization in the trend for broadband lines, but it is not satisfactory. We continue to focus on growing value rather than volume here.

We again saw a big increase in the number of customers using lines offering transmission speeds of 100 Mbit/s or faster. This was a year-on-year increase of 0.7 million to 8.5 million, with the share of retail customers growing by 5 percentage points year-on-year to 57 percent.

For the first quarter of 2026, we saw strong growth in the number of new customers using an FTTH line. This growth stood at 148,000 net adds, a significant increase of 15.6 percent against the 128,000 FTTH net adds recorded in the first quarter of 2025. The FTTH penetration rate increased to 17.1 percent, up from 15.5 percent in the prior-year period. The number of customers using an FTTH line increased by 37.8 percent compared with the end of the first quarter of 2025.

The number of TV net adds amounted to 28,000 in the first quarter of 2026 compared with 37,000 in the same period of the prior year. We saw strong growth in OTT TV net adds, recording 90,000 net adds in the three months from January to March 2026.

In the mobile communications market, we continue to focus on building out our network and market leadership. After branded contract net adds of 274,000 in the first quarter of 2025, we recorded further growth of 200,000 net adds in the first three months of this year.

Two factors play a role in the slowdown compared with the prior-year quarter:

- First, the rate of growth of net adds in the B2B business declined.
- Second, competition on the market intensified in the first quarter of 2026.

Contract consumers churn was 0.9 percent, slightly higher than the level of the prior-year period of 0.8 percent.

Service revenues in the Germany segment increased by around 1.1 percent year-on-year in organic terms in the first three months of 2026.

Mobile service revenues increased by 2.1 percent in organic terms. That puts us within the corridor we set at the 2024 Capital Markets Day for the period from 2023 to 2027 as the target average annual growth rate of 2.0 to 2.5 percent. This solid development in mobile communications was mainly driven by the continued very robust performance of the consumer business.

Fixed-network service revenues increased by 0.7 percent year-on-year in organic terms in the first quarter of 2026.

Broadband revenues increased by 1.6 percent year-on-year in organic terms. In the first quarter of 2025, this growth stood at 3.2 percent. The slowdown in growth is primarily attributable to customer losses in the prior year. But the profitability of broadband customers increased. Broadband B2C ARPA increased by 3.1 percent compared with the first quarter of 2025. As mentioned before, our focus is rather on profitability and less on volume.

Wholesale access revenues increased by 0.3 percent in organic terms in the first quarter of 2026, compared with the same period of 2025. In the same quarter of the prior year, these grew by 2.1 percent. Thus, the growth trend continues, and the positive trend in average monthly revenues per line in this area was sufficient to offset the volume losses.

Looking ahead, it should be noted that with regard to wholesale revenues, from the second quarter onwards, the price increases in the commitment agreements concluded in 2021 will no longer apply. Nevertheless, we still expect monthly average revenues per line in the wholesale business to continue rising thanks to upselling, despite the loss of the tailwind from price increases.

Reported revenue in the Germany segment increased by 1.9 percent in the first quarter of 2026 to 6.3 billion euros. This growth was driven in equal measure by service revenues and non-service revenues.

Reported adjusted EBITA AL increased in the first three months of 2026 by 2.5 percent year-on-year to 2.7 billion euros. In organic terms, the increase was also 2.5 percent, or 66 million euros.

That brings me to the development in the Europe segment.

Here we saw the robust growth in customer numbers continue in the first quarter of 2026.

The number of mobile contract net adds increased by 127,000, after 123,000 in the same period of 2025.

We recorded 54,000 new broadband customers. In the same period of last year, there were 68,000 net adds.

FMC net adds stood at 123,000, compared with 151,000 in the first quarter of 2025.

The number of TV net adds increased by 30,000 in the three-month period. The slight decline in the prior-year quarter of 1,000 customers was also attributable to the fact that a satellite TV platform in Hungary was decommissioned at that time.

Reported segment revenue increased 1.2 percent to 3.1 billion euros. That is growth of 35 million euros.

The deconsolidation of the sold mobile business in Romania reduced revenue. By contrast, changes in exchange rates increased revenue, partially offsetting the impact of the deconsolidation of the Romanian business.

In organic terms, segment revenue increased by 2.1 percent in the first quarter of 2026.

This included a 5.4 percent rise in service revenues in organic terms, primarily on the back of mobile service revenues, which increased by 3.9 percent in organic terms. Fixed-network revenues – including IT revenues – increased by 7.3 percent year-on-year in organic terms.

Reported adjusted EBITDA AL in the Europe segment increased by 4.8 percent in the first three months of 2026 to 1.2 billion euros. That is growth of 55 million euros. The trend was bolstered by exchange rate effects, mainly due to the increase in the Hungarian forint.

In organic terms, adjusted EBITDA AL rose by 3.5 percent or 41 million euros.

This means we have generated organic EBITDA growth in the Europe segment for 33 consecutive quarters.

We are on track to meet our promise from the 2024 Capital Markets Day, where we forecast average annual organic earnings growth of between 4 and 5 percent in the period from 2023 to 2027.

That brings me to the development of T-Systems in the first quarter of 2026.

Order entry rose by 1.5 percent in the last 12 months compared with the preceding 12 months.

Reported revenue in the segment increased by 1.6 percent in the first quarter of 2026 to 1.03 billion euros. This growth is primarily attributable to Digital Solutions.

Reported adjusted EBITDA AL in the segment increased by 4.0 percent to 84 million euros.

The focal areas of Public and Defense are increasingly gaining in importance.

These trends align with the guidance communicated at the 2024 Capital Markets Day.

Now I come to the development of the key financials, in particular free cash flow, adjusted net profit, and net debt.

In the first three months of 2026, free cash flow AL increased year-on-year by 0.7 percent to reach around 5.7 billion euros. That is growth of 37 million euros.

As usual, I will only go into reported free cash flow. For your information: Changes in exchange rates – especially the U.S. dollar – had a significant impact here, as well. In organic terms, free cash flow would have increased by a low double-digit percentage in the first three months of 2026 compared with the prior-year period.

The main increasing factor here was a 536 million euro decrease in cash capex, primarily due to phasing effects in the Group excluding the United States, where cash capex was down 471 million euros compared with the prior-year period, mainly on account of advance payments. We expect cash capex to normalize and to slightly increase over the coming quarters.

Free cash flow was reduced by lower net cash from operating activities of 297 million euros. This development was impacted by exchange rate effects of around 809 million euros as well as by restructuring payments in the United States of around 314 million euros when translated into euros. Furthermore, lease payments increased by around 270 million euros compared with the first quarter of 2025.

Adjusted net profit increased by 6.5 percent year-on-year in the first quarter of 2026 to 2.6 billion euros. That is growth of 159 million euros.

Adjusted EBITDA had an increasing effect of 162 million euros. Lower depreciation, amortization and impairment losses had a positive effect of 77 million euros. In addition, the share of profit attributable to non-controlling interests decreased by 50 million euros.

The increase of 94 million euros in the loss from financial activities had a decreasing effect on adjusted net profit.

A 36-million-euro increase in the tax expense also had a decreasing effect on adjusted net profit in the first quarter of 2026.

To close, a few details about the development of net debt and the financial ratios compared to the end of 2025.

Net debt (excluding leases) increased by 1.4 billion euros as of the end of the first quarter 2026 compared with the end of 2025 to 99.5 billion euros.

Free cash flow AL had a reducing effect of 5.7 billion euros.

Four factors in particular increased net debt:

- The share buy-back of T-Mobile US in the first quarter of 2026, at around 4.1 billion euros.
- The translation of U.S. dollar liabilities at a dollar exchange rate that was around 2.5 cents stronger (around 1.4 billion euros) on March 31, 2026 than on December 31, 2025, as well as other effects, increased net debt by around 1.9 billion.
- Around 0.5 billion euros related to dividend payments, in particular by T-Mobile US to non-controlling interests, of around 455 million euros when translated into euros.
- The share buy-back by Deutsche Telekom also increased net debt by around 0.5 billion euros.

Deutsche Telekom's debt ratio was also affected by the development of the U.S. dollar in the first quarter of 2026. The ratio of net debt (excluding leases) to adjusted EBITDA AL stood at around 2.24x at the end of the first quarter of 2026, which was more or less on a par with the level at the end of 2025 of 2.22x.

The ratio of net debt including leases to adjusted EBITDA stood at 2.64x at the reporting date, up from 2.62x at 2025 year-end.

That means we are still – also as a result of exchange rate effects – below the target set at the 2024 Capital Markets Day of  $\leq 2.75x$  by 2027.

It is encouraging that the rating agency Standard & Poor's has just raised our rating up by a level, from BBB+ to A-.