MEDIA INFORMATION

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Deutsche Telekom continues to grow at a rapid pace and raises annual guidance for free cash flow

- Net revenue up 3.3 percent in organic terms to 29.9 billion euros in the second quarter
- Adjusted EBITDA AL up 7.3 percent in organic terms to 11.8 billion euros
- Free cash flow AL up 3.1 percent to 5.0 billion euros
- Adjusted net profit up 11.1 percent to 2.8 billion euros
- New guidance for 2026: Free cash flow AL of around 20.0 billion euros, adjusted from more than 19.8 billion euros previously
- Germany: Soccer in the spotlight
- United States: Growth course unabated
- Europe: Earnings growth continues
- Systems Solutions: Strong financials

The growth engine keeps revving. Deutsche Telekom once again delivered strong financials in the second quarter of 2026. Net revenue totaled 29.9 billion euros. In organic terms, i.e., excluding exchange rate effects and changes in the composition of the Group, revenue increased by 3.3 percent against the prior-year quarter. Service revenues likewise increased by 3.3 percent in organic terms. Adjusted EBITDA AL increased in organic terms by 7.3 percent to 11.8 billion euros. The reported growth rates were impacted by contrasting effects from changes in exchange rates and in the composition of the Group, which when netted, resulted in a 4.4 percent increase in net revenue. Reported service revenue was up by 4.8 percent and reported adjusted EBITDA AL by 7.5 percent.

“Our operations continue to perform well,” says Tim Höttges, CEO of Deutsche Telekom. “All areas of the Group are once again delivering impressive growth in the first half of 2026.”

The Group's free cash flow AL increased by 3.1 percent year-on-year to 5.0 billion euros in the second quarter. Adjusted net profit increased by 11.1 percent to 2.8 billion euros. Reported net profit decreased by 6.3 percent to 2.5 billion euros, mainly due to integration costs at T-Mobile US in the second quarter of 2026 in connection with UScellular. In addition, the prior year had included positive effects of write-ups of the carrying amounts of investments, for which there was no corresponding effect in the reporting year.

The Group raised its full-year guidance for free cash flow AL from more than 19.8 billion euros to around 20.0 billion euros, thereby reflecting the adjustment announced by T-Mobile US. All expectations for business excluding the United States, as well as the Group guidance for adjusted EBITDA AL of around 47.5 billion euros and for adjusted earnings per share of around 2.20 euros, remain unchanged.

Germany: Soccer in the spotlight

In Germany, the second quarter was dominated by the FIFA World Cup and the broadcast of all matches on MagentaTV. Around 1 million new customers signed up for Deutsche Telekom's TV offering. Such strong growth clearly underlines the product's appeal. The large majority of the new customers opted for one of the Company's flex rate plans. While the number of Deutsche Telekom broadband customers declined by 20,000, Deutsche Telekom recorded 161,000 new users with a pure fiber-optic line (FTTH). Fiber use continues to rise steadily, and has now reached a penetration rate of 17.5 percent of all 13.6 million homes passed.

In mobile communications, Deutsche Telekom recorded 218,000 new contract customers – a higher increase than a year earlier. Deutsche Telekom reaffirmed its market leadership in terms of service revenues in its important home market of Germany.

Total revenue in the Germany operating segment increased in organic terms by 3.7 percent year-on-year to 6.5 billion euros in the second quarter. This included a positive effect from the FIFA World Cup. Adjusted EBITDA AL rose 2.7 percent in organic terms to 2.7 billion euros in the same period.

United States: Growth course unabated

T-Mobile US generated service revenue of 19.0 billion U.S. dollars between April and June, 8.9 percent more than in the previous year. Adjusted EBITDA AL increased in the same period by 12.1 percent to 9.3 billion U.S. dollars.

The number of postpaid accounts increased by 277,000 to 34.7 million at the end of the second quarter. Although T-Mobile US left its guidance for growth for the year unchanged at 950,000 to 1,050,000, it raised the midpoint of its guidance for free cash flow by 200 million U.S. dollars.

Europe: Earnings growth continues

Revenue in the national companies in Europe amounted to 3.2 billion euros in the second quarter, up by 1.0 percent year-on-year in organic terms. Service revenues recorded particularly strong growth of 4.1 percent in organic terms. Adjusted EBITDA AL likewise grew by 4.1 percent in organic terms to 1.3 billion euros.

The customer base continues to trend positively. In the second quarter, there were 189,000 mobile contract net adds, 56,000 broadband net adds, and 16,000 net adds for the various TV offerings.

Systems Solutions: Strong financials

T-Systems continued to improve its financials in the second quarter. Revenue increased by 5.7 percent against the prior-year quarter in organic terms to 1.1 billion euros. Adjusted EBITDA AL grew by 5.3 percent in organic terms to 99 million euros.

Order entry was down 13.4 percent year-on-year at 998 million euros. Nevertheless, T-Systems still anticipates an overall rise in order entry over the full year compared to 2025.

The Deutsche Telekom Group at a glance

	Q2 2026 millions of €	Q2 2025 millions of €	Change %	H1 2026 millions of €	H1 2025 millions of €	Change %	FY 2025 millions of €
Net revenue	29,933	28,671	4.4	59,804	58,427	2.4	119,081
Proportion generated internationally %	77.6	77.5	0.1p	77.9	78.0	(0.1p)	78.0
Service revenue	25,406	24,237	4.8	50,445	49,067	2.8	98,854
Adjusted EBITDA	13,377	12,528	6.8	26,433	25,422	4.0	50,540
Adjusted EBITDA AL	11,821	10,999	7.5	23,342	22,297	4.7	44,244
Net profit (after non-controlling interests)	2,450	2,615	-6.3	4,493	5,460	-17.7	9,609
Adjusted net profit (after non-controlling interests)	2,784	2,504	11.1	5,385	4,947	8.8	9,747
Earnings per share €	0.51	0.54	-5.0	0.93	1.12	-16.6	1.97
Adjusted earnings per share €	0.58	0.51	12.7	1.12	1.01	10.3	2.00
Free cash flow AL	5,027	4,878	3.1	10,714	10,528	1.8	19,546
Cash capex[a]	4,430	4,724	-6.2	8,361	9,205	-9.2	19,256
Cash capex[a] (before spectrum)	4,004	3,870	3.5	7,812	8,213	-4.9	16,864
Net debt (including leases)				138,387	126,535	9.4	132,518

Number of employees[b]				191,796	199,050	-3.6	198,079
Of which in Germany				69,418	73,356	-5.4	70,751

Comments on the table

a) Cash outflows for investments in property, plant, and equipment, and intangible assets (excluding goodwill) – mainly in connection with building and operating networks.

b) At reporting date.

Operating segments: Development of operations

	Q2 2026 millions of €	Q2 2025 millions of €	Change %	H1 2026 millions of €	H1 2025 millions of €	Change %	FY 2025 millions of €
Germany							
Total revenue	6,507	6,286	3.5	12,846	12,505	2.7	25,610
Adjusted EBITDA AL	2,672	2,605	2.6	5,371	5,239	2.5	10,694
United States							
Total revenue	19,562	18,597	5.2	39,306	38,397	2.4	78,097
in USD	*22,754*	*21,083*	*7.9*	*45,859*	*41,915*	9.4	*88,188*
Adjusted EBITDA AL	7,969	7,299	9.2	15,707	14,922	5.3	29,252
in USD	*9,270*	*8,272*	*12.1*	*18,328*	*16,294*	*12.5*	*32,998*
Europe							
Total revenue	3,164	3,116	1.5	6,253	6,170	1.3	12,652
Adjusted EBITDA AL	1,255	1,170	7.3	2,451	2,310	6.1	4,677
Systems Solutions							

Order entry	998	1,153	-13.4	1,992	2,116	-5.8	4,191
Total revenue	1,077	1,013	6.2	2,102	2,023	4.0	4,103
Adjusted EBITDA AL	99	96	3.7	183	176	3.8	427

Operating segments: Development of customer numbers in the second quarter of 2026

	June 30, 2026 thousands	March 31, 2026 thousands	Change thousands	Change %
Germany				
Mobile customers	76,733	75,320	1,413	1.9
Of which contract customers	28,148	27,924	224	0.8
Fixed-network lines	16,615	16,712	-98	-0.6
Broadband lines	15,079	15,100	-20	-0.1
Of which optical fiber[a]	13,431	13,412	20	0.1
Television (IPTV, satellite)	4,800	4,775	25	0.5
Unbundled local loop lines (ULLs)	1,470	1,506	-36	-2.4
United States				
Postpaid accounts[b]	34,700	34,439	261	0.8
Europe				
Mobile customers	47,007	46,711	296	0.6
Of which contract customers[c]	25,660	25,470	189	0.7
Fixed-network lines[c, d]	9,052	9,045	7	0.1
Broadband customers[c]	7,752	7,695	56	0.7
Television (IPTV, satellite, cable)	4,514	4,498	16	0.3

Comments on the table

a) Sum of all FTTx access lines (e.g., FTTC/VDSL, vectoring, and FTTH/B).

b) In the first quarter of 2026, the United States operating segment (T-Mobile US) transitioned to reporting the total number of postpaid accounts instead of the total number of postpaid and prepaid customers. Comparatives have been adjusted retrospectively.

c) As of January 1, 2026, customers in Poland and Greece were reclassified from mobile communications to fixed network as a result of a change in definition. The prior-year figures have not been adjusted retrospectively.

d) As of April 1, 2026, the reporting of wholesale fixed-network lines was standardized. Prior-year comparatives have been adjusted retrospectively.

Operating segments: Development of customer numbers in year-on-year comparison

	June 30, 2026 thousands	June 30, 2025 thousands	Change thousands	Change %
Germany				
Mobile customers	76,733	71,126	5,607	7.9
Of which contract customers	28,148	27,039	1,109	4.1
Fixed-network lines	16,615	16,981	-367	-2.2
Broadband lines	15,079	15,126	-46	-0.3
Of which optical fiber[a]	13,431	13,298	134	1.0
Television (IPTV, satellite)	4,800	4,698	102	2.2
Unbundled local loop lines (ULLs)	1,470	1,705	-235	-13.8
United States				
Postpaid accounts[b, c]	34,700	31,502	3,198	10.2
Europe				
Mobile customers[d]	47,007	50,076	-3,069	-6.1
Of which contract customers[e]	25,660	27,144	-1,484	-5.5
Fixed-network lines[e, f]	9,052	8,734	318	3.6
Broadband customers[e]	7,752	7,261	491	6.8
Television (IPTV, satellite, cable)	4,514	4,381	133	3.0

Comments on the table

a) Sum of all FTTx access lines (e.g., FTTC/VDSL, vectoring, and FTTH/B).

b) In the first quarter of 2026, the United States operating segment (T-Mobile US) transitioned to reporting the total number of postpaid accounts instead of the total number of postpaid and prepaid customers. Comparatives have been adjusted retrospectively.

c) The composition of the Group in the United States expanded against the prior-year period, mainly as a result of the first-time inclusion of Metronet and UScellular. Comparatives have not been adjusted.

d) On October 1, 2025, the Greek provider Hellenic Telecommunications Organization (OTE) consummated the sale of Telekom Romania Mobile Communications.

e) As of January 1, 2026, customers in Poland and Greece were reclassified from mobile communications to fixed network as a result of a change in definition. Prior-year comparatives have not been adjusted retrospectively.
f) As of April 1, 2026, the reporting of wholesale fixed-network lines was standardized. Prior-year comparatives have been adjusted retrospectively.

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