

# Costs and productivity

Personnel costs and personnel cost ratio

## Increased personnel cost ratio driven by collective agreements

billions of €	2021	2022	2023	2024	2025
Personnel costs in the Group, non-adjusted	18.5	19.4	19.1	19.0	19.8
of which Germany	8.5	8.4	8.2	8.4	8.0
Special factors	0.9	1.4	1.6	1.1	1.2
Personnel costs in the Group, adjusted for special factors	17.6	18.1	17.5	17.9	18.6
Net revenue	107.8	114.4	112.0	115.8	119.1
of which Germany <sup>a</sup>	25.4	26.0	26.4	27.0	27.0
Adjusted personnel cost ratio, Group	16.3 %	15.8 %	15.6 %	15.5 %	15.6 %

<sup>a</sup> Revenue is allocated to the Germany/internationally breakdown from an HR perspective and thus according to the location of the employees (FTEs). In the annual report, revenue is allocated to the country in which they were generated. The calculation is based on rounded figures in millions.

In the 2025 financial year, the personnel cost ratio rose again for the first time in four years. It increased by 0.1 percentage points to 15.6 %. This figure compares personnel costs adjusted for special effects to revenue and serves as a performance indicator in the Group.

Adjusted personnel costs during the financial year amounted to EUR 18.6 billion, an increase of EUR 0.7 billion compared to previous year. The increase is mainly driven by the United States operating segment, due to the higher average headcount. In the Germany operating segment and in the Group Headquarters & Group Services segment, lower headcounts resulted in a reduction in personnel costs. The agreed salary increases from the collective agreements concluded in 2024 and 2025 in Germany and abroad had an offsetting effect.

Revenue maintained its positive trend, rising to EUR 119.1 billion, continuing the growth trend from previous years. Overall, Group revenue rose by EUR 3.3 billion while revenue in Germany remained on a stable level.

Unadjusted personnel costs grew by EUR 0.8 billion to EUR 19.8 billion. In contrast, the personnel costs in Germany declined by EUR 0.4 billion.

Personnel costs comprise basic personnel costs (pay, salaries) plus ancillary personnel costs (social costs). This figure is adjusted for special factors in conjunction with staff restructuring measures.

## Total workforce costs

## Rising TWC in the international Group

billions of €					
	2021	2022	2023	2024	2025
TWC <sup>a</sup>	19.6	20.3	19.5	20.0	20.6
of which Germany	8.3	8.3	8.2	8.2	8.0
IWC <sup>b</sup> (adjusted PC <sup>c</sup> )	7.7	7.6	7.4	7.5	7.3
EWC <sup>d</sup> leased and temporary staff	0.02	0.03	0.02	0.02	0.02
EWC <sup>d</sup> freelancers and consultants	0.6	0.7	0.7	0.7	0.7
of which internationally	11.3	12.1	11.3	11.8	12.5
IWC <sup>b</sup> (adjusted PC <sup>c</sup> )	9.9	10.5	10.1	10.4	11.3
EWC <sup>d</sup> leased and temporary staff	0.2	0.2	0.1	0.1	0.1
EWC <sup>d</sup> freelancers and consultants	1.3	1.4	1.1	1.2	1.1

<sup>a</sup> Total workforce costs: external workforce costs + personnel costs adjusted for special factors.

<sup>b</sup> Internal workforce costs.

<sup>c</sup> Personnel costs.

<sup>d</sup> External workforce costs.

Total Workforce Management (TWM) offers a comprehensive view of Deutsche Telekom's HR management. Alongside our internal workforce and associated costs (internal workforce costs, IWC), TWM also takes the external workforce, e.g., consultants, freelancers as well as temporary and leased staff, into account. This holistic approach is crucial for long-term personnel planning, both in qualitative and quantitative terms.

Total Workforce Costs (TWC) is key when it comes to managing our personnel costs. TWC includes the costs associated with employing internal and external staff, to give a comprehensive view of our total personnel costs.

During the financial year, the total workforce costs in the Group rose by EUR 0.6 billion to a total of EUR 20.6 billion year-on-year.

In Germany, the IWC fell by EUR 0.2 billion and, internationally, rose by EUR 0.8 billion. The costs of consultants and freelancers decreased internationally by EUR 0.1 billion.

Personnel costs and total operating costs

**Slight increase in personnel costs as a share of total operating costs**

millions of €		2021	2022	2023	2024	2025
<b>Breakdown of personnel costs</b>						
Payroll <sup>a</sup>	Group	14,350	14,808	14,309	14,670	15,152
	Germany	6,209	6,106	6,039	6,050	5,868
	Internationally	8,141	8,702	8,269	8,620	9,284
Social security contributions and company pension scheme	Group	3,206	3,271	3,218	3,234	3,446
	Germany	1,483	1,501	1,407	1,419	1,449
	Internationally	1,723	1,771	1,811	1,816	1,997
Adjusted personnel costs	Group	17,556	18,080	17,526	17,905	18,597
	Germany	7,692	7,607	7,446	7,468	7,316
	Internationally	9,865	10,473	10,080	10,436	11,281
<b>Personnel costs as a share of total operating expenses</b>						
Adjusted operating costs	Group	66,645	69,867	66,037	67,359	69,606
	Germany	15,763	16,316	15,902	16,367	16,097
	Internationally	50,882	53,550	50,135	50,992	53,509
Adjusted personnel costs as a share of total costs	Group	26.3 %	25.9 %	26.5 %	26.6 %	26.7 %
	Germany	48.8 %	46.6 %	46.8 %	45.6 %	45.5 %
	Internationally	19.4 %	19.6 %	20.1 %	20.5 %	21.1 %

<sup>a</sup> Values for 2021–2022 adjusted retroactively due to IFRS15 correction.

Of the EUR 18.6 billion in adjusted personnel costs, 81 % – EUR 15.2 billion – is attributable to pay and salaries, up by 3.3 % compared to 2024. This increase is driven by the agreed salary increases from the collective agreements concluded in 2024 and 2025.

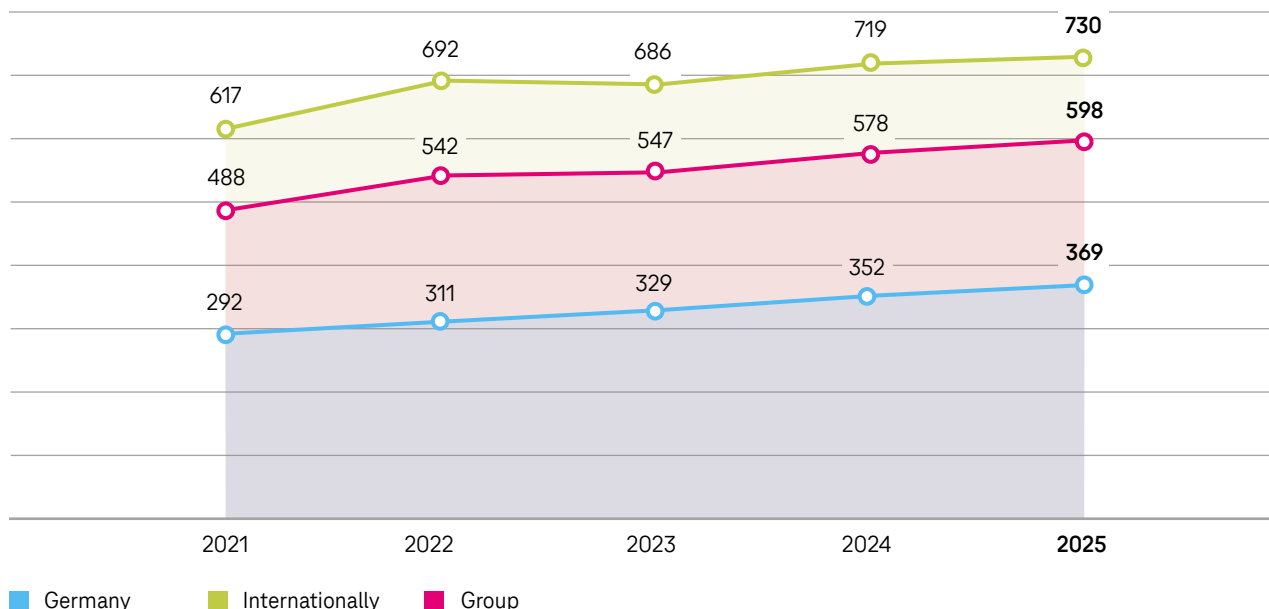
Expenses for social security costs and company pension schemes were EUR 3.4 billion. The company pension schemes allow employees to supplement their statutory pensions.

The overall increased personnel costs are also reflected in the slight yet continuous rise in its share of total operating costs by 0.1 percentage points.

Revenue and EBITDA AL per employee

## Revenue per employee continues to rise

in thousands of €



	2021	2022	2023	2024	2025
Revenue, Group (billions of €)	107.8	114.4	112.0	115.8	119.1
Revenue, Germany (billions of €) <sup>a</sup>	25.4	26.0	26.4	27.0	27.0
Revenue, international (billions of €) <sup>a</sup>	82.4	88.5	85.6	88.8	92.1
International revenue as a percentage of Group revenue	76.3 %	77.3 %	76.4 %	76.7 %	77.3 %
∅ Number of employees, Group	220,840	211,236	204,856	200,227	199,223
∅ Number of employees, Germany	87,276	83,406	80,112	76,787	73,052
∅ Number of employees, international	133,564	127,830	124,744	123,440	126,171
EBITDA AL per FTE (average) (€), adjusted	166,959	186,803	197,899	214,860	222,082

<sup>a</sup> The allocation of sales to form the quotas is based on the HR perspective and thus on the location of the employees (FTEs). In the annual report, sales are allocated to the country in which they were generated. The calculation is based on rounded figures in millions.

With Group revenue totaling EUR 119.1 billion, 2025 was another very successful financial year for Deutsche Telekom. International business made a particular contribution to this positive trend with a revenue increase of EUR 3.3 billion. At EUR 27 billion, revenue in Germany remained stable.

Group revenue per FTE in Germany rose to EUR 597,743. Furthermore, a full-time employee at Deutsche Telekom generated an average EBITDA AL of EUR 222,082.

## Total workforce quota

**Stable development in employee productivity**

billions of €		2021	2022	2023	2024	2025
Group	PC <sup>a</sup> adjusted	17.6	18.1	17.5	17.9	18.6
	EWC <sup>b</sup>	2.1	2.3	1.9	2.1	2.0
	TWC <sup>c</sup>	19.6	20.3	19.5	20.0	20.6
	Revenue <sup>d</sup>	107.8	114.4	112.0	115.8	119.1
	TWQ <sup>e</sup> adjusted	18.1 %	17.8 %	17.4 %	17.3 %	17.3 %
Germany	PC <sup>a</sup> adjusted	7.7	7.6	7.4	7.5	7.3
	EWC <sup>b</sup>	0.7	0.7	0.7	0.8	0.7
	TWC <sup>c</sup>	8.3	8.3	8.2	8.2	8.0
	Revenue <sup>d</sup>	25.4	26.0	26.4	27.0	27.0
Internationally	PC <sup>a</sup> adjusted	9.9	10.5	10.1	10.4	11.3
	EWC <sup>b</sup>	1.5	1.6	1.2	1.4	1.3
	TWC <sup>c</sup>	11.3	12.1	11.3	11.8	12.5
	Revenue <sup>d</sup>	82.4	88.5	85.6	88.8	92.1

<sup>a</sup> Personnel costs.

<sup>b</sup> External workforce costs: costs of temporary staffing + costs of freelancers and consultants.

<sup>c</sup> Total workforce costs: external workforce costs + personnel costs adjusted for special factors.

<sup>d</sup> The allocation of revenue to form the ratios is based on the HR perspective and thus on the location of the employees (FTEs). In the annual report, revenue is allocated according to the country in which the revenue was generated. The calculation is based on rounded figures in millions.

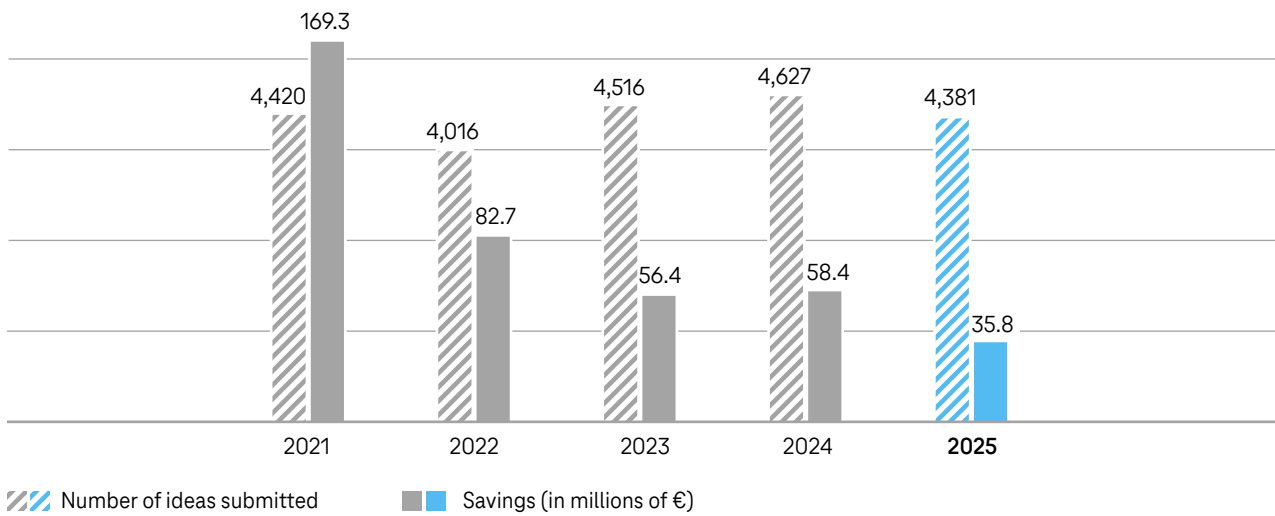
<sup>e</sup> Total workforce quota = TWC/revenue.

The Total Workforce Quota (TWQ) is the ratio of the company's total personnel-related costs to revenue and is therefore an indicator of workforce productivity. It helps us understand and steer the proportion of internal and external personnel costs while also managing the profitability of personnel-related costs overall.

For the financial year, the TWQ at Deutsche Telekom remained unchanged at 17.3 %. Although revenue was up by 2.9 %, the Total Workforce Costs (TWC) also rose by 2.8 %. This almost parallel development with respect to revenue and TWC resulted in an overall stable TWQ.

Ideas management in Germany

## Innovation as a growth driver at Deutsche Telekom



Deutsche Telekom's Idea Management is a key driver when it comes to progress and innovations, especially in the future fields of artificial intelligence (AI) and connectivity. The target is to promote the innovation potential of our employees, thus securing our competitiveness in the long term.

Continuously improving processes, products, and services as well as implementing ideas campaigns encourages valuable input and ideas that we develop further and that can be put into practice by the specialist departments. This engagement creates a positive environment conducive to innovations, improves our corporate culture, and also contributes to securing jobs and the company's success. 4,381 ideas were submitted in Germany – a similar volume to the previous year. The implemented ideas resulted in product and process savings as well as new business potential totaling approximately EUR 36 million, meaning Deutsche Telekom is among the highest-ranking companies in a cross-sector comparison.

Deutsche Telekom was also honored at the German Ideas Management Award in 2025: 1st place in the “Best idea for production and technology” category for a solution that not only impressed with its feasible cost and time savings but also thanks to its future viability. In the past 10 years, Deutsche Telekom always made the podium at the German Ideas Management Award.

This success demonstrates that we rely on the expertise of our employees, we appreciate their ideas, and we make them an integral part of our innovation strategy for a networked and digital future.

## Unforced attrition

**Continuing decline in unforced attrition within the Group**

Unforced attrition rate	2021	2022	2023	2024	2025
Group <sup>a</sup>	5.2 %	5.9 %	4.6 %	4.4 %	4.0 %
Germany	2.1 %	2.5 %	2.5 %	2.3 %	2.1 %
Internationally <sup>a</sup>	9.3 %	10.7 %	7.4 %	7.1 %	6.4 %

<sup>a</sup> Excluding T-Mobile US.

Unforced attrition within the Group decreased for the third year in succession and was 4.0 % in 2025, down 0.4 percentage points compared to the previous year. This development can be seen in both Germany and internationally. In Germany, unforced attrition decreased by 0.2 percentage points and declined by 0.7 percentage points internationally.

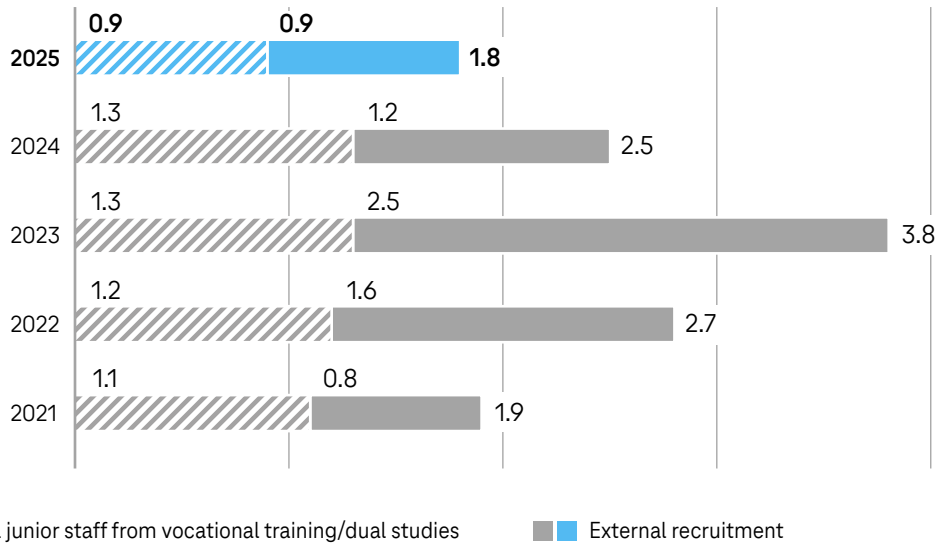
Unforced attrition is expected to rise in Germany in the medium-term, on account of the demographic development: More and more of the populous baby boomer generation are reaching retirement age. Across the Group, over 800 employees retired in 2025.

Unforced attrition refers to normal employee departures that occur without specific staff reduction measures, for example due to retirement, incapacity for work, termination by the employee, or termination by the employer for conduct- or person-related reasons. It is reported as a percentage of the total workforce (as per the end of the previous year).

Recruitment in Germany

**Deutsche Telekom defending its lead as a top employer**

k FTEs



Recruiting (FTEs)	2021	2022	2023	2024	2025
Total	1,917	2,744	3,783	2,459	1,838
Internal junior staff from vocational training/dual studies	1,080	1,179	1,310	1,252	927
External recruitment	837	1,566	2,473	1,206	911

In 2025, Germany was one of the most important locations with respect to new hires within the Group. 50.4 % of vacancies were filled with junior staff who had completed their vocational training or dual study program at Deutsche Telekom. Internationally, Deutsche Telekom consistently continues to expand its workforce and, in 2025, the Group hired more than 7,100 new employees around the globe, excluding the United States.

“This could not have been an email. Create connections that matter.” – this was the key idea behind the employer campaign in 2025. Deutsche Telekom did not just announce its global Employer Value Proposition (EVP); it brought it to life. The campaign focused on real people, personal stories, authentic dialogues that made the feeling of trust, the sense of belonging as well as the impact and opportunities to develop at Deutsche Telekom tangible. Instead of concentrating on a perfect presentation, Deutsche Telekom focused on a feeling of closeness, courage, and directness with a 60-hour global live stream during which 130 colleagues from 12 countries showcased what it is really like to work at the company. The stream’s results speak for themselves: 172,000 viewers, 550,000 likes, traffic on the careers site up by 95 %, and 7.1 % VTR (view-through-rate) in the subsequent awareness phase.

In 2025, Deutsche Telekom also won the “Global Leading Employer” award and, in doing so, was given top ratings for “Compensation & Benefits”, “Diversity, Equity & Inclusion”, and “Work-Life Quality”. The “Global Leading Employers” award is only given to the top one percent of employers worldwide. Therefore, the award clearly highlights Deutsche Telekom’s attractiveness, reliability, and future viability.

## Socially responsible staff reduction in Germany

**Staff restructuring continues through partial retirement and severance payments**

FTEs	2021	2022	2023	2024	2025
Dedicated retirement, civil servants	630	1,183	995	1,213	595
Early retirement, non-civil servants	66	79	54	39	47
Severance payments	526	619	551	760	1,016
Partial retirement (start of passive phase)	2,444	2,086	2,201	2,399	2,294
Transfers to public authorities, civil servants (final) <sup>a</sup>	70	49	259	37	11

<sup>a</sup> Permanent transfers; civil servants are not entitled to return to the Group.

In 2025, Deutsche Telekom maintained its commitment to only implementing staff reductions in a socially responsible manner. Furthermore, those departing the company shall also be given a perspective. The proven models of dedicated retirement, partial retirement, and severance payments ensured fair transition and provided employees with security when making the step to the new phase of their lives.

Dedicated retirement once again proved to be a successful scheme for civil servants. In 2025, this scheme ensured that the transition of 595 colleagues into the next phase of their lives was made easier – a clear sign for trust and reliability.

Partial retirement using the block model remains popular as it is clearly structured and simple to plan. Employees begin by continuing to work full-time during the active phase which is followed by a seamless transition to the passive phase until a point is reached where the employee or civil servant receives their (civil service) pension. 2,294 employees, of which 1,696 were employees and 598 were civil servants, chose this option in 2025. Partial retirement applications for civil servants had to be submitted by December 31, 2025. As of January 1, 2026, civil servants are no longer able to apply for partial retirement. However, the partial retirement rules and regulations continue to apply for employees.

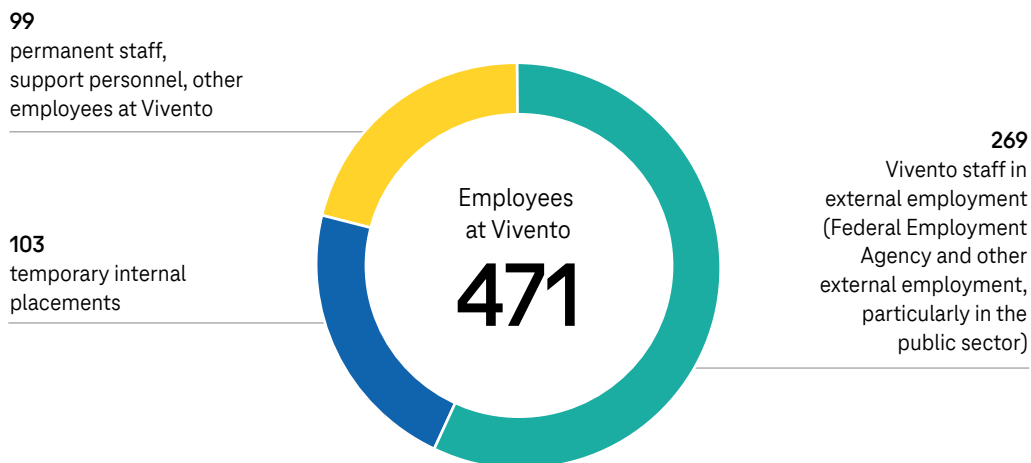
Severance payments also remain an option for those who want to try something new. Around 1,016 employees opted for severance payments in 2025, thus making a conscious step to a new future.

In addition, 11 civil servants were able to secure a permanent transfer to authorities – a long-term solution for all parties involved.

Vivento employee figures

## Further reduction in Vivento employees

FTEs



Employees (FTEs)	2021	2022	2023	2024	2025
Employees at Vivento	1,466	1,267	813	558	471
Vivento staff in external employment (Federal Employment Agency and other external employment, particularly in the public sector)	1,049	896	439	367	269
Temporary internal placements	208	202	217	116	103
Permanent staff, support personnel, other employees at Vivento	209	169	157	75	99
Employees permanently transferred to the public sector via Vivento	70	69 <sup>a</sup>	276 <sup>a</sup>	96 <sup>a</sup>	41 <sup>a</sup>
Staff transferred to Vivento since its foundation	54,405	54,456	54,485	54,509	54,527
Staff leaving Vivento since its foundation	52,939	53,188	53,672	53,950	54,055

<sup>a</sup> Incl. non-civil servants from 2022.

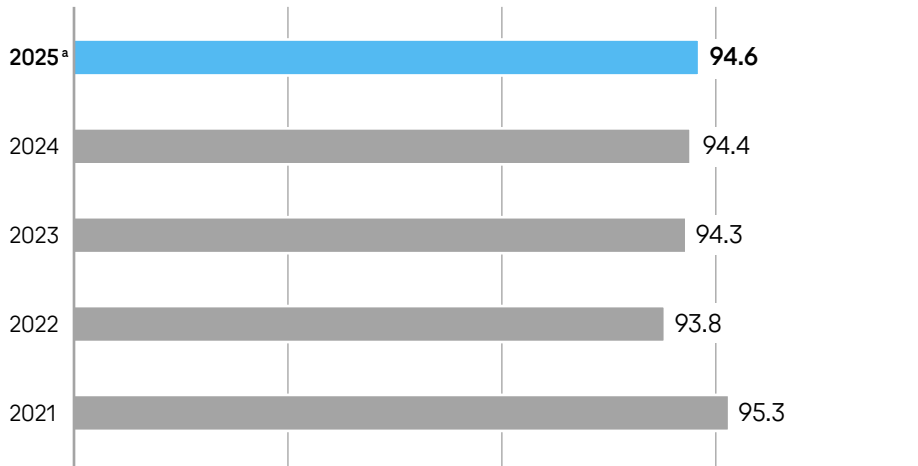
With Vivento's/next.JOB's support, 41 employees (civil servants and non-civil servants) transferred permanently to the public sector in 2025. Since the start of 2022, Vivento's next.JOB unit has offered employees from the various segments of the Group who are seeking a new professional challenge outside of the Group opportunities in the public sector. Its placement service is aimed at both civil servants and non-civil servants. The bulk of employees who transferred to public authorities in 2025 moved to BWI GmbH, the Bundeswehr (German Federal Armed Forces), and roles at other federal authorities, states, and municipalities. Employees were also transferred to positions at other public administration bodies. As in previous years, the number of employees supported by Vivento was again scaled back in 2025, as planned.

The successful reduction means that the number of employees supported by Vivento has dropped to such an extent that no reporting on Vivento will take place in the future.

Health rate in Germany

**Ongoing improvement in the health rate**

%



<sup>a</sup> Required manual adjustment in the HR management reporting system for dedicated retirement civil servants (12/2025) was exclusively made on the management structure (GHO level) for headcount and fluctuation; no information is available on other related key figures.

The health rate increased by 0.2 percentage points and the annual average for 2026 was 94.6 %. In 2025, musculoskeletal disorders, respiratory diseases, and mental health problems again accounted for the bulk of illness-related absenteeism within the Group.

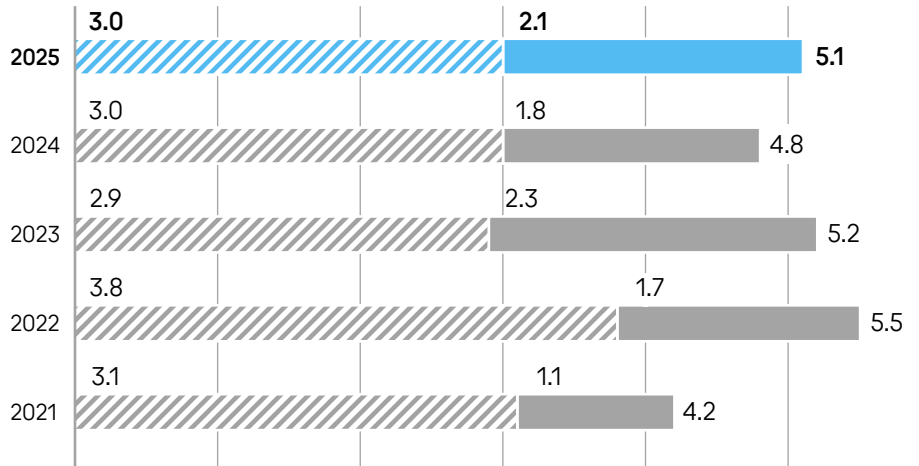
Deutsche Telekom's health portfolio offers a wealth of resources and support measures dedicated to the health and well-being of the workforce. This includes the opportunity to take part in offerings to increase physical and mental well-being.

The company continues to work towards ensuring our employees receive the best possible support to keep them healthy, motivated, and productive. Deutsche Telekom believes feeling good in the workplace is key.

Work-related accidents in Germany

**Safety at a high level – prevention is key**

per k FTEs



▨ Work-related accidents    ■ Commuting accidents

per thousand FTEs

	2021	2022	2023	2024	2025
Total number of work-related and commuting accidents	3.8	4.2	5.5	5.2	5.1
Work-related accidents	2.2	3.1	3.8	2.9	3.0
Commuting accidents	1.6	1.1	1.7	2.3	2.1

In 2025, the overall accident rate was 5.1 accidents per 1,000 employees (FTEs). Of this total, 3.0 were accidents at work and 2.1 were accidents on the way to work. Therefore the rate of accidents at work remains at a stable and low level.

This is offset by a slight increase in accidents on the way to work which were primarily attributable to accidents that took place while driving vehicles.

A current risk assessment will be the foundation for the systematic identification and evaluation of risks, especially in connection with mobility and traffic routes. On the basis of this, we will derive targeted preventive action which will also be continually developed.

Digital training sessions are an integral part of our prevention strategy. They allow employees to view safety-relevant content flexibly and irrespective of their location and therefore help to raise awareness among our employees with regard to safe travel in the long term.

Our target is to continue reducing accidents – especially those on the way to work – and to improve the safety of our employees in the long term.