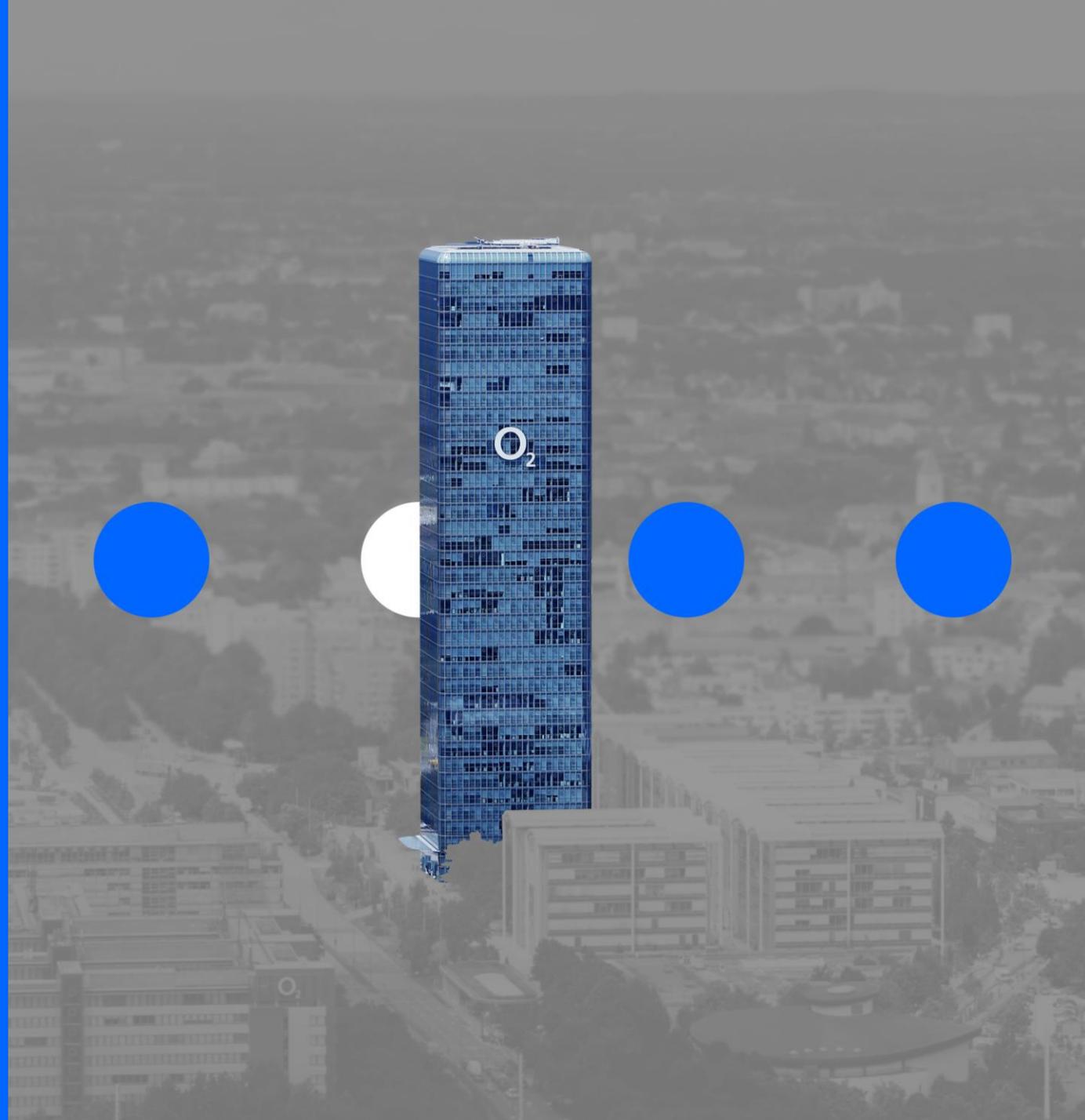


Telefónica Deutschland
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Telefónica Deutschland

Investor presentation

August 2023



Disclaimer



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Key reasons to invest

Germany

Attractive and dynamic
telecoms market

Strong macro

Rational market

Data growth

Soft convergence

3 integrated players

Largest MVNO
to become 4th MNO

Established Player

Leveraging
economies of scale

Largest
owned customer base

Multi-brand & -channel

Customer-centric
convergence play

FMS

Operational Excellence

Driving digitalisation

All-infrastructure
set-up

Successful integration track
record

Digital transformation

Value Proposition

Attractive shareholder returns
on back of strong fundamentals

Clear growth path

Robust financial profile

Strong FCF trajectory

High pay-out ratio of FCFaL

ESG leadership

Robust German economy despite some inflationary pressures



Current Trends

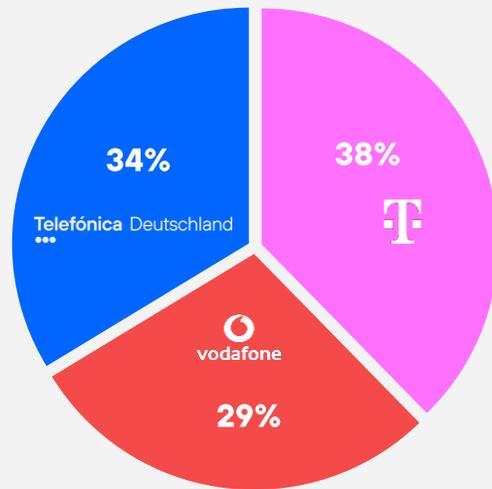
- Dynamic yet rational mobile market
- Data growth with continued CAGR 2021-25 of >50%
- Soft convergent market environment
- 3 strong mobile networks

Future Trends

- 5G use cases & demand to accelerate
- Fixed-Mobile-Substitution becoming increasingly relevant
- Potential 4th urban MNO
- 3 integrated (mobile + fixed) players

Competitive Environment

Rational & balanced market¹



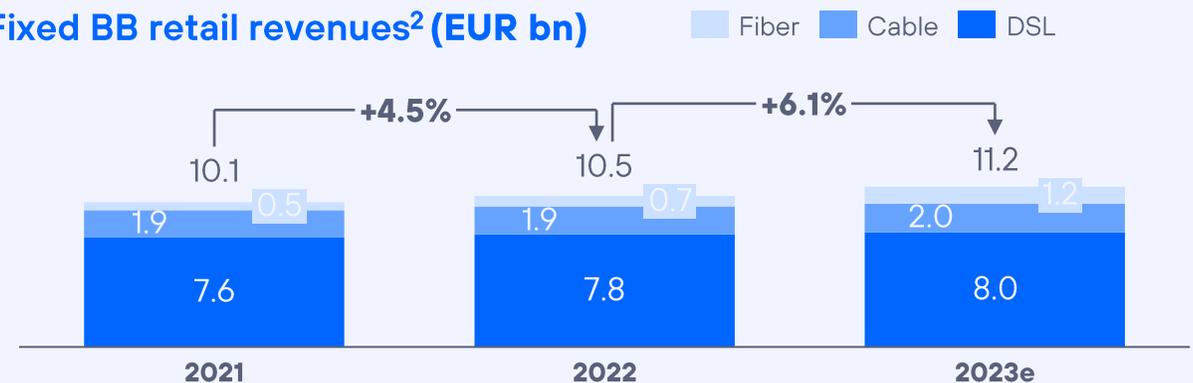
- Rational market following 4 to 3 consolidation
- Tiered mobile portfolios enabling data monetisation

Market development²

Mobile service revenues² (EUR bn)



Fixed BB retail revenues² (EUR bn)



Leading M4M including 5G mass-market enablement

Underpinning growth ambitions

O₂ can do

Key driver of
more-for-more
strategy

Positive 'M4M' momentum
on back of launch in
April 2023



Blau

Launched
February 2023

ay yıldız

Launched
March 2023

ortel
MOBILE

Launched
March 2023

Tchibo
MOBIL

Launched
May 2023

ALDI TALK

Launched
July 2023

High quality green 5G network - driving digitalisation & economic growth

Achieved 5G target of ~90% already by H1 23

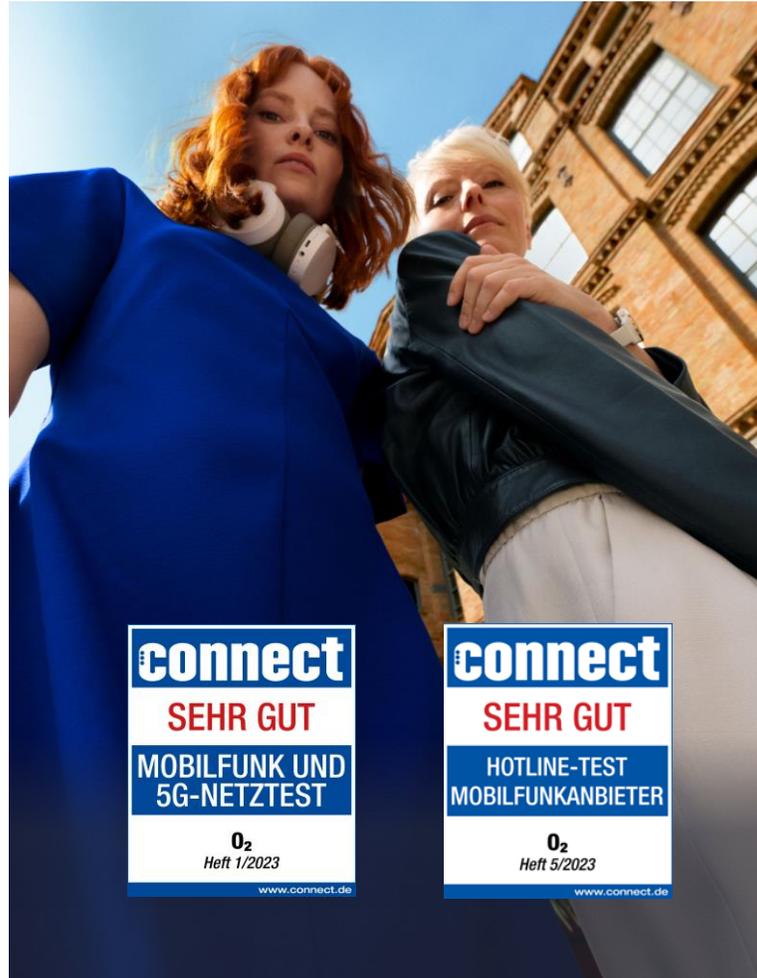
'Very Good' Network

3rd consecutive 'very good'

~90%
5G coverage

'Very Good' Service

Biggest incremental gain



Network Ambition



Nationwide 5G coverage
latest by YE25

Extending ESG leadership to deliver a sustainable digital future

Executing ambitious Responsible Business Plan 2025

ESG Update

Long-term PPAs

Direct sourcing of green energy

Well recognised Top ESG rankings



Extending ESG Leadership

FY23 key focus areas of Responsible Business Plan

Energy efficiencies

Residual emissions

EU Taxonomy

Excellent progress to build the best Telefónica Deutschland

Outperforming German telco market – leading M4M and ESG

Strategic Focus

Network

Sustain network quality powered by green energy

Growth

Increase market share across all segments

Transformation

Accelerate digitalisation



H1 23 Results

+6.2%

Revenues

+2.2%

OIBDA¹

12.0%

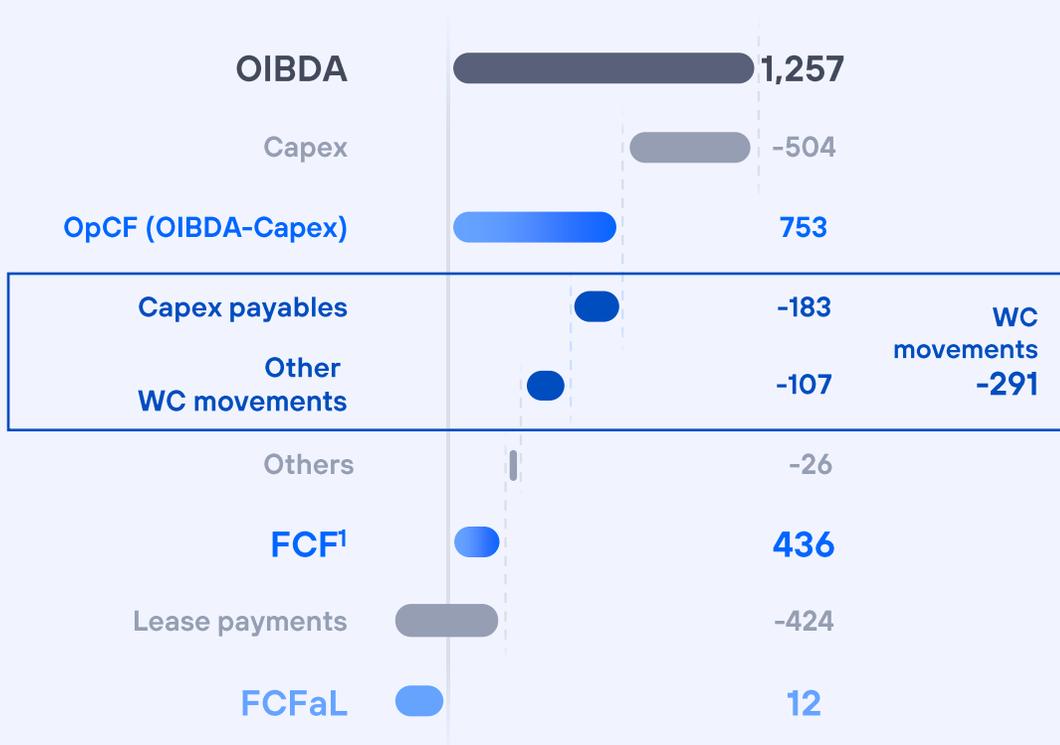
Capex/Sales

¹ Adjusted for exceptional effects

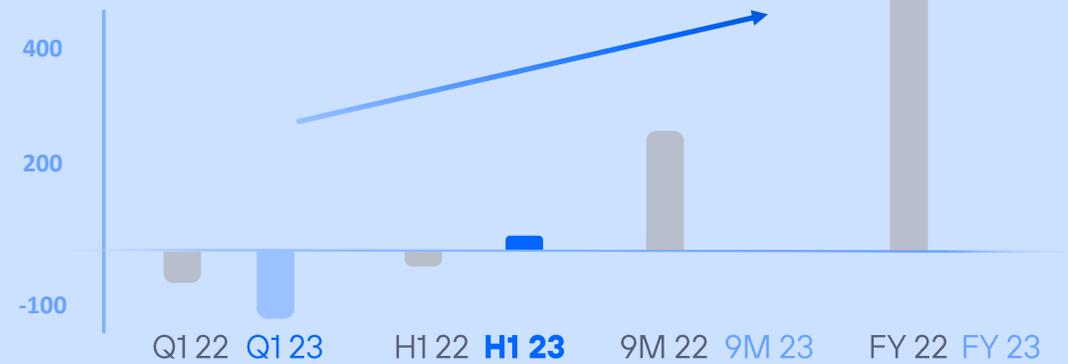
Achieved positive FCFaL already in H1 23 – enhancing strong balance sheet

Well on track to deliver more than dividend coverage

H1 23 FCF (EURm)



Back-end loaded FCFaL profile (EURm)



Net Debt (EURm)

3,680
Leverage 1.4x

FitchRatings

BBB
Stable Outlook

Thank You
We look forward to
your feedback



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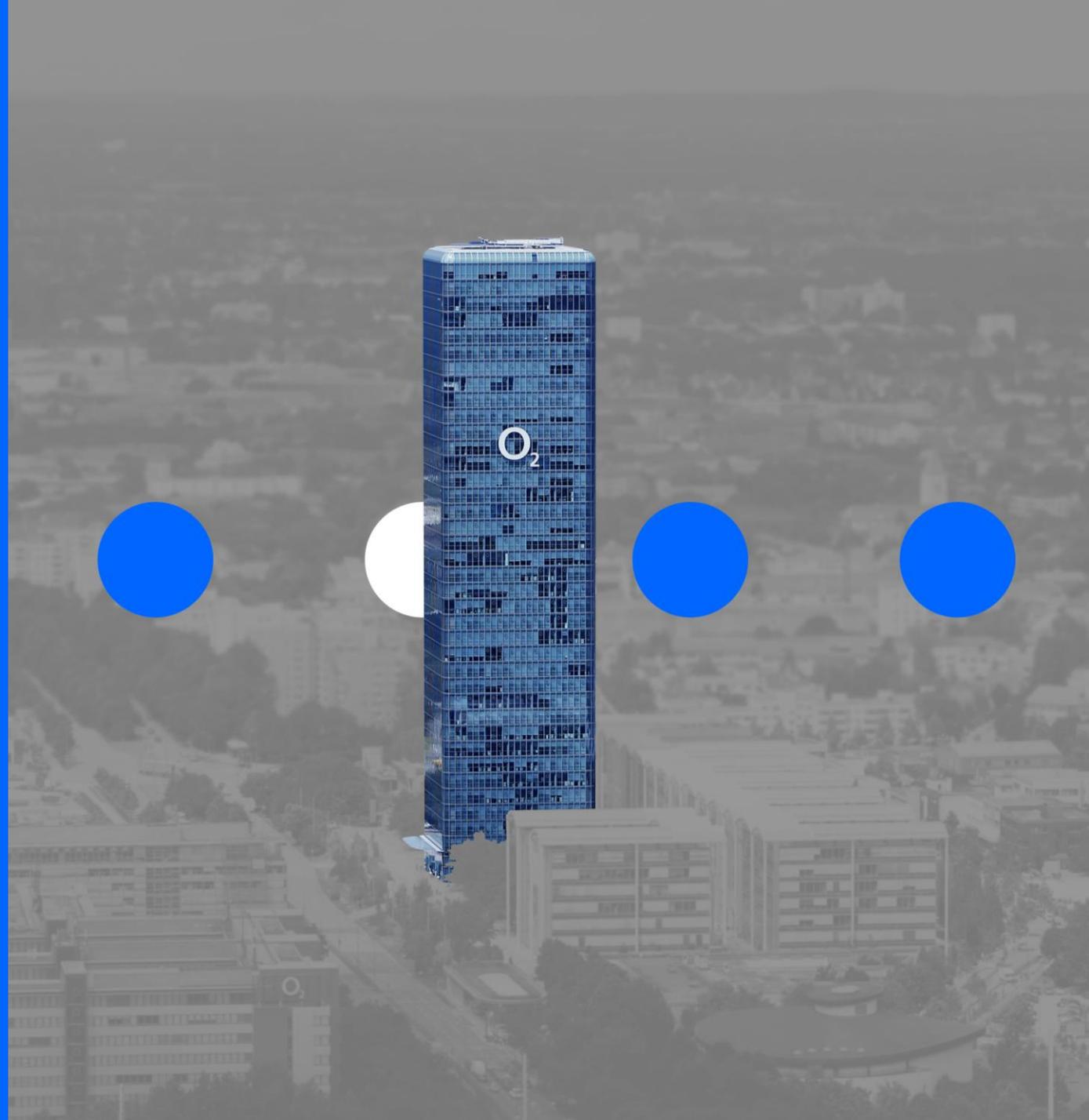
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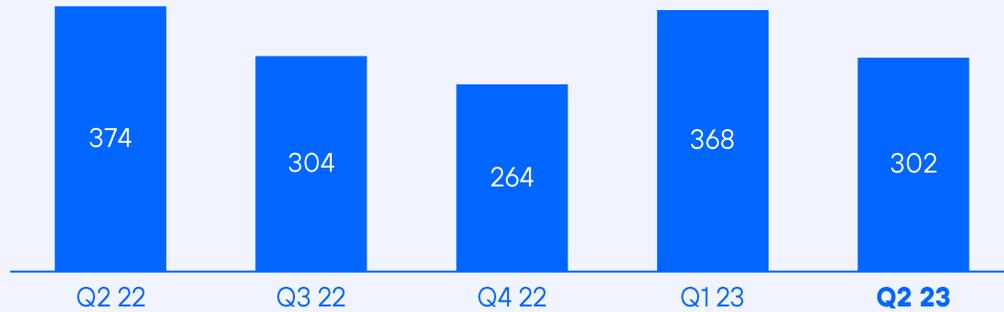
eugen.albrecht@telefonica.com

Appendix



Mobile KPIs

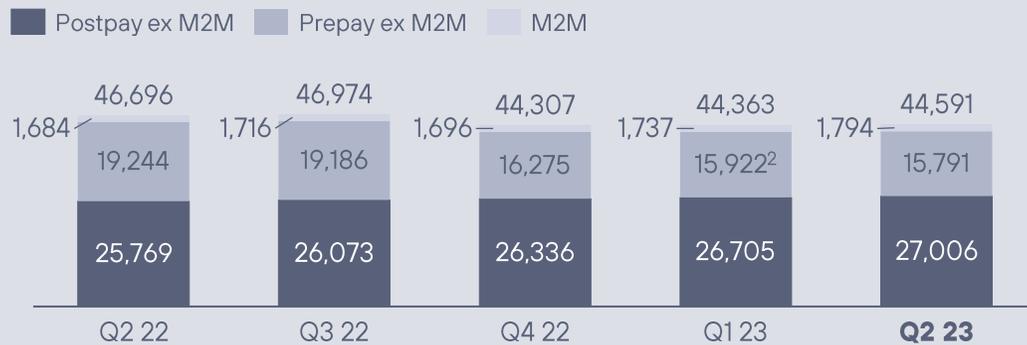
Postpaid net adds¹ (k)



Prepaid net adds (k)



Mobile customer base (k)

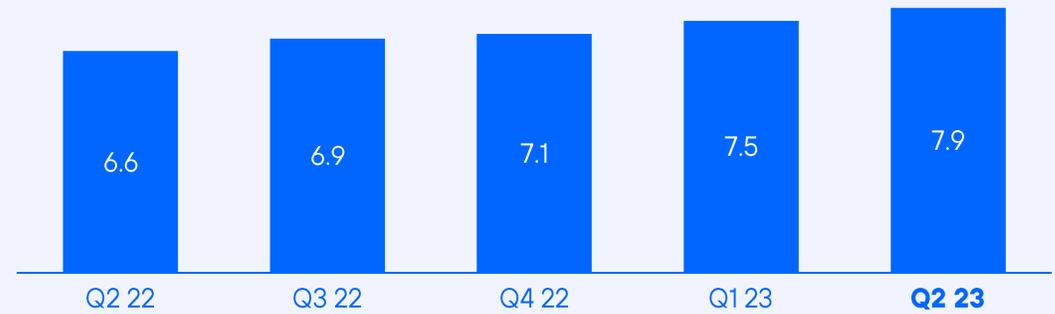


Mobile KPIs

Postpaid ARPU ex M2M (EUR)



Prepaid ARPU (EUR)



u/L Postpaid O₂ ARPU (%)



Churn rate (%)



Fixed KPIs

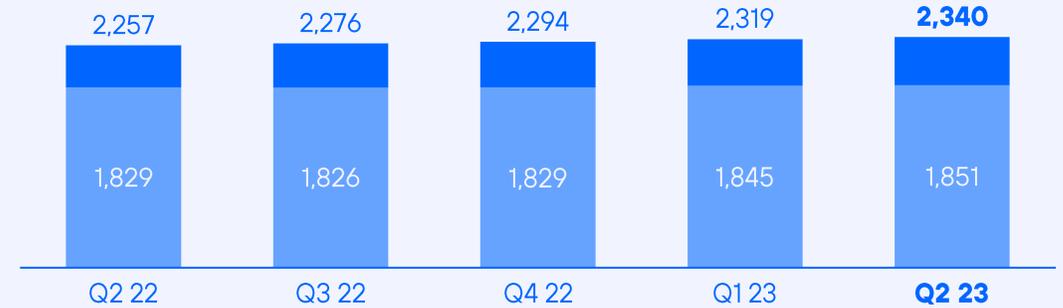
Retail broadband net adds (k)

■ Cable ■ Fibre ■ VDSL ■ DSL



Fixed accesses (k)

■ VDSL



Fixed retail ARPU (EUR)¹



P&L

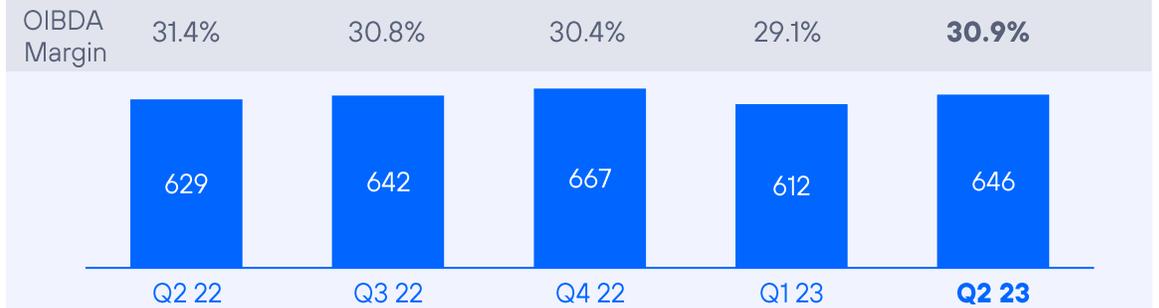
Revenue structure (EUR)

Fixed Handset MSR Other revenues



OIBDA¹ (EUR)

OIBDA adj. for exceptional effects



OpEx split² (EUR)

Personnel expenses Supplies Other



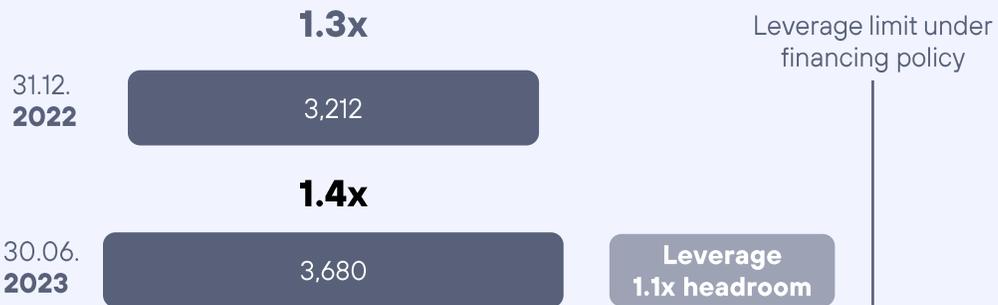
CapEx³ (EUR)



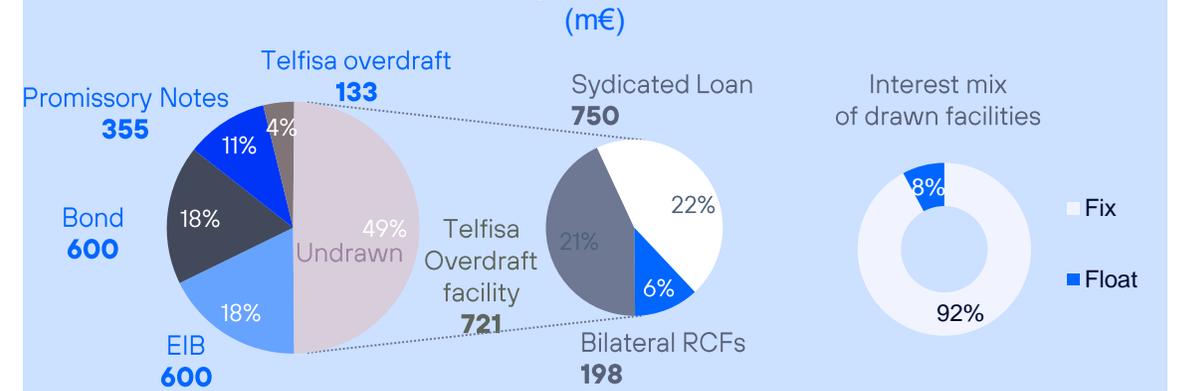
Continuing strong financing profile

Net Financial Debt

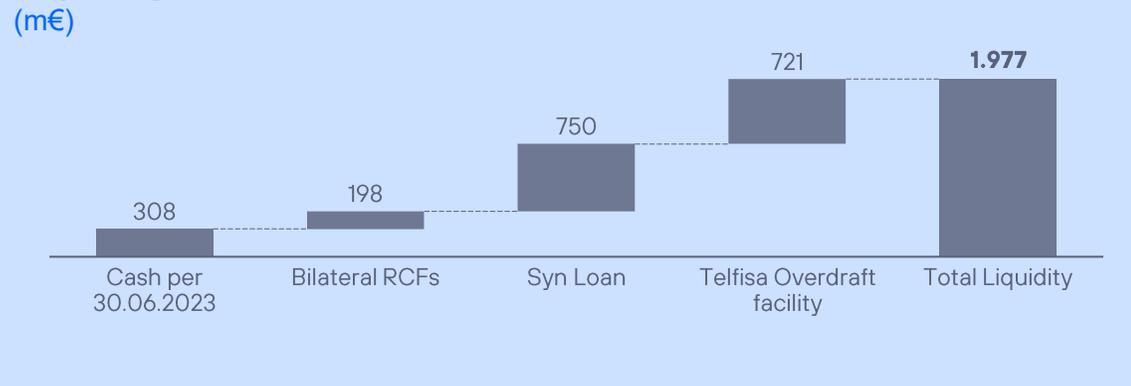
Committed to maintain Fitch BBB investment grade rating



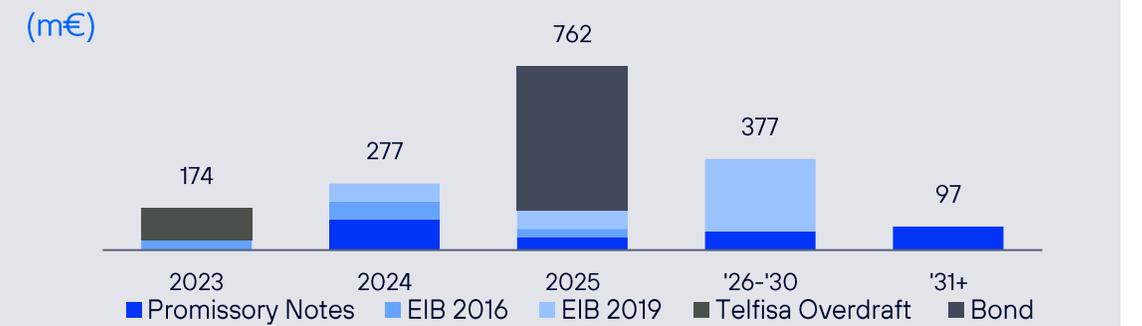
Financing & Interest mix (m€)



Liquidity (m€)



Maturities¹ (m€)



More-for-more 'O₂ Mobile' tariff portfolio launched Apr-23

	O ₂ Mobile S	O ₂ Mobile M	O ₂ Mobile L
Data volume	4 GB	25 GB	140 GB
 Max. Speed	1 GB yoy	5 GB yoy	10 GB yoy
Network	300 Mbit/s	300 Mbit/s	300 Mbit/s
VOICE/SMS flat	4G / 5G	4G / 5G	4G / 5G
EU Roaming	✓	✓	✓
*BOOST (+5€): Double data & adding multiple devices	✓	✓	✓
Monthly fee	 22.⁹⁹	 32.⁹⁹	 42.⁹⁹

 Flexible contract duration: **monthly contract termination**
 All customer needs supported by **high speed internet**
 Future ready with **5G**

More-for-more 'O₂ Mobile' unlimited tariff portfolio launched Apr-23

	O ₂ Mobile Unlimited Basic	O ₂ Mobile Unlimited Smart	O ₂ Mobile Unlimited Max	
Max. Speed	3 MBit/s	15 MBit/s	500 Mbit/s	 Unlimited usage
Network	4G / 5G	4G / 5G	4G / 5G	 Flexible contract duration: monthly contract termination
VOICE/SMS flat	✓	✓	✓	 Best-fit by speed-classes
EU Roaming	✓	✓	✓	 Future ready with 5G
Monthly fee	32.⁹⁹	42.⁹⁹	62.⁹⁹	

O₂ my Home portfolio – technology agnostic approach

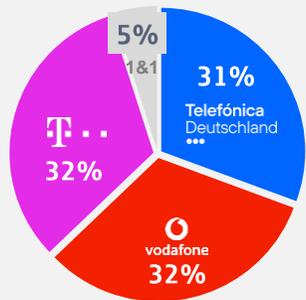
	O ₂ my Home S	O ₂ my Home M	O ₂ my Home L	O ₂ my Home XL	O ₂ my Home XXL
Max. Speed	10 MBit/s Upload 2 MBit/s	50 MBit/s Upload 10 MBit/s	100 MBit/s Upload 40 MBit/s	250 MBit/s Upload 40 MBit/s	1000 MBit/s Upload 50 MBit/s
Technology					
Voice flat to German fixed networks	✓	✓	✓	✓	✓
Optional HomeBox 3 AVM7590 Homespot	3.99 mthl 5.99 mthl 4.99 mthl	3.99 mthl 5.99 mthl 4.99 mthl	3.99 mthl 5.99 mthl	3.99 mthl 5.99 mthl	3.99 mthl 5.99 mthl
Monthly fee 24m contract	24.⁹⁹	29.⁹⁹	34.⁹⁹	39.⁹⁹	69.⁹⁹

Future-proof spectrum set-up to enable best customer experience

Utilisation today

	4G/5G	4G	2G/4G		2G/4G/5G	4G	4G	private 4G	5G
Total availability	2x30 MHz	2x30 MHz	2x35 MHz	1x40 MHz	2x75 MHz	2x60 MHz	2x70 MHz	1x50 MHz	1x300 MHz

Total spectrum holding



1&1

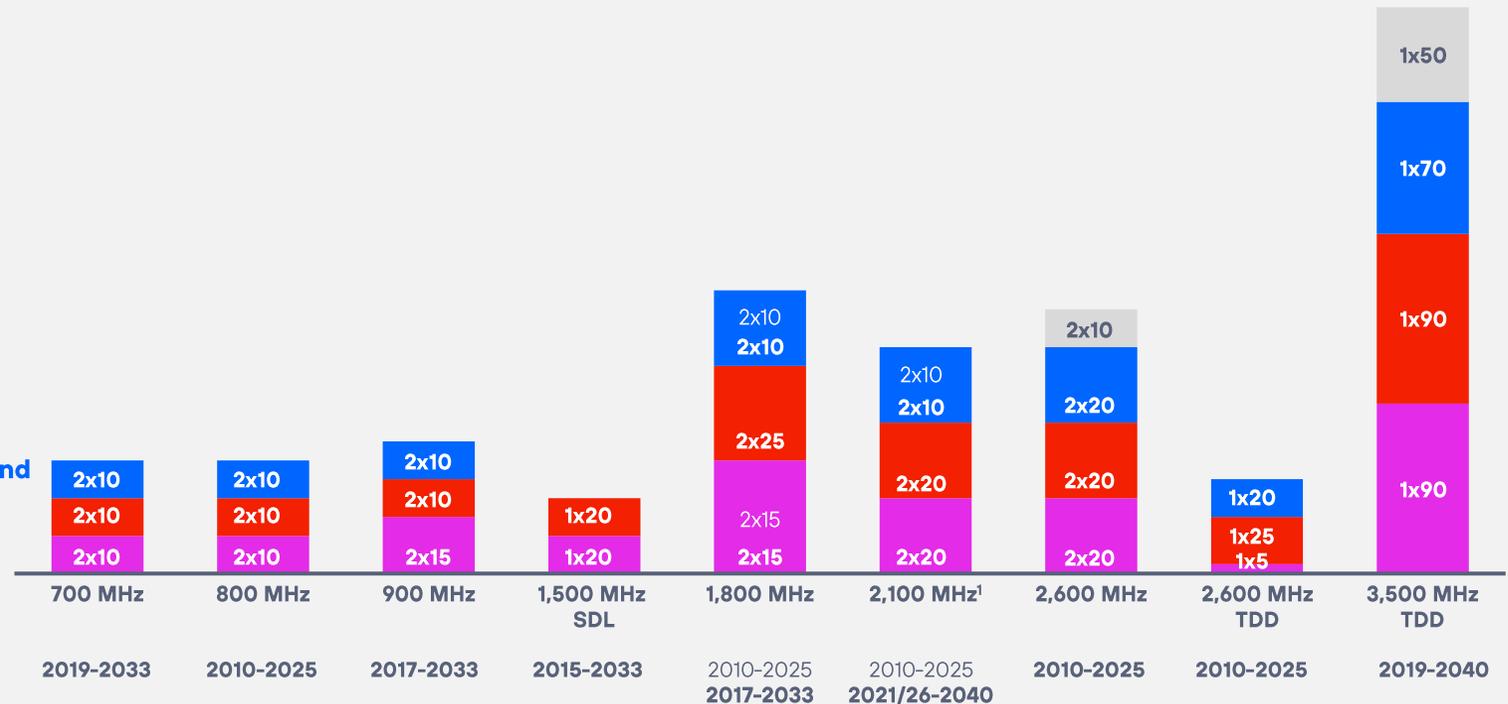
Telefónica Deutschland

Vodafone

Deutsche Telekom

Frequencies

Maturity



¹ From 2021, additional 19.2 MHz TDD

From 1 January 2026: 1&1: 2x10 MHz; Telefónica Deutschland: 2x10 MHz; Vodafone: 2x20 MHz; Deutsche Telekom: 2x20 MHz

Excellent results in relevant ESG ratings/indices due to active rating analysis and management in 2022

	Risk Low: 12.7 (Low) Exposure Score: 40.0 (Medium) Management Score: 75.9 (Strong)
	Rating: AA
S&P Global	Rating: 57 of 100 pts ¹
	Grade: Prime B- (Good)
FTSE Russel	Successfully listed (4.4 of 5 pts)
	Successfully listed (66 of 100 scores – advanced) ²
Bloomberg	Successfully listed (72.63%)
	Successfully listed 72/100 (Gold)

3rd Place in Telco Service Sector (total 223)

1st Place in Germany

Telefónica Deutschland
●●●