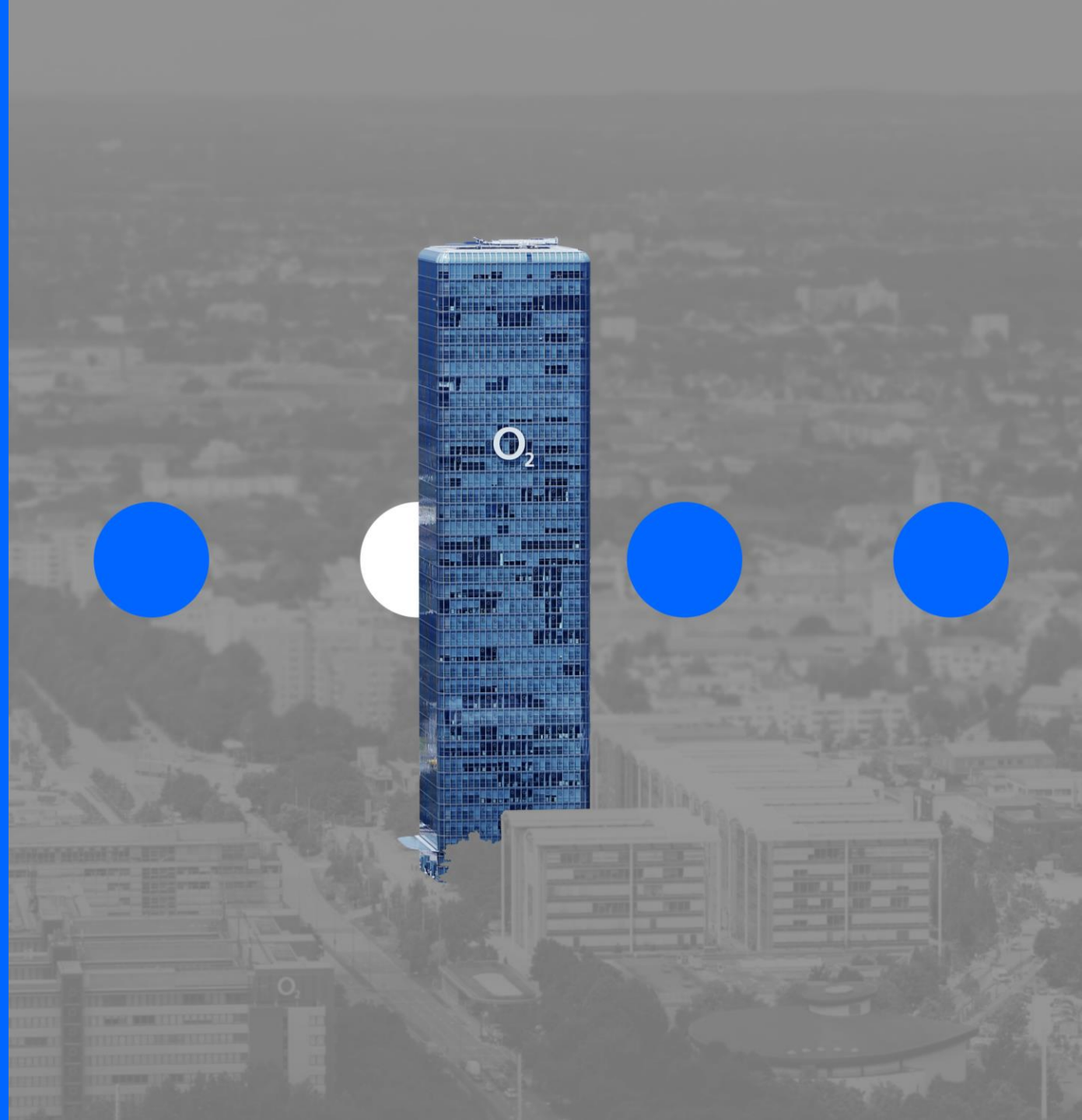


Telefónica Deutschland
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Telefónica Deutschland

Investor presentation

May 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

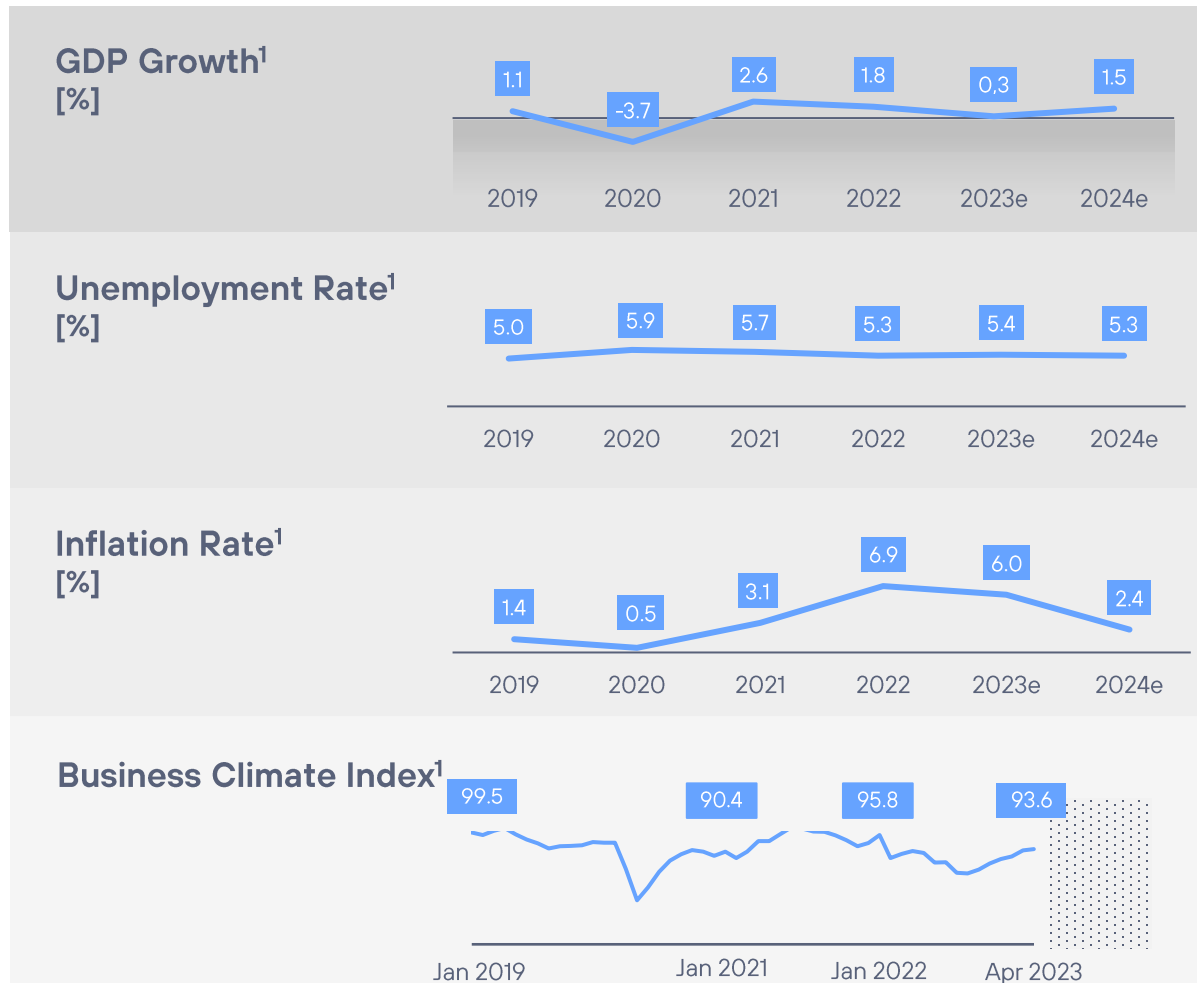
Robust financial profile

Strong FCF trajectory

High pay-out ratio of FCFaL

ESG leadership

Robust German economy despite some inflationary pressures



Current Trends

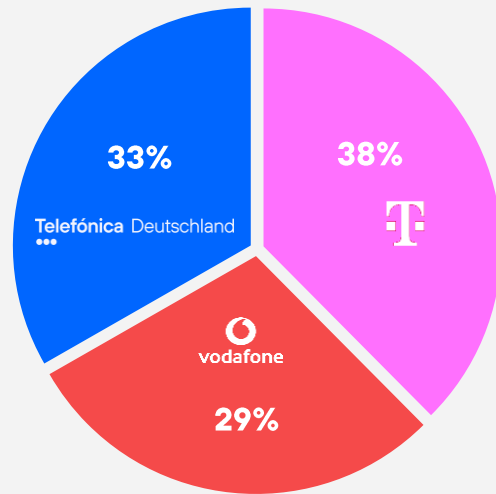
- Dynamic yet rational mobile market
- Data growth with continued CAGR 2021-25 of >50%
- Soft convergent market environment
- 3 strong mobile networks

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



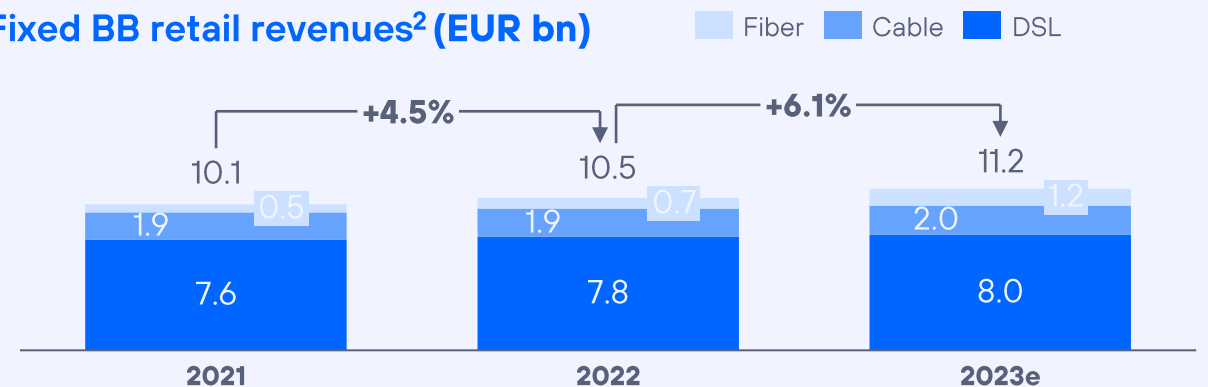
- Rational market following 4 to 3 consolidation
- Tiered mobile portfolios enabling data monetisation

Market development²

Mobile service revenues² (EUR bn)



Fixed BB retail revenues² (EUR bn)



Building the best Telefónica Deutschland

Outperform German mobile market & expand ESG leadership

Strategic Focus

Network

Sustain network quality
powered by green energy

Growth

Increase market share
across all segments

Transformation

Accelerate digitalisation



Q1 23 Results

+8.0%

Revenues

+1.7%

OIBDA¹

11.7%

Capex/Sales

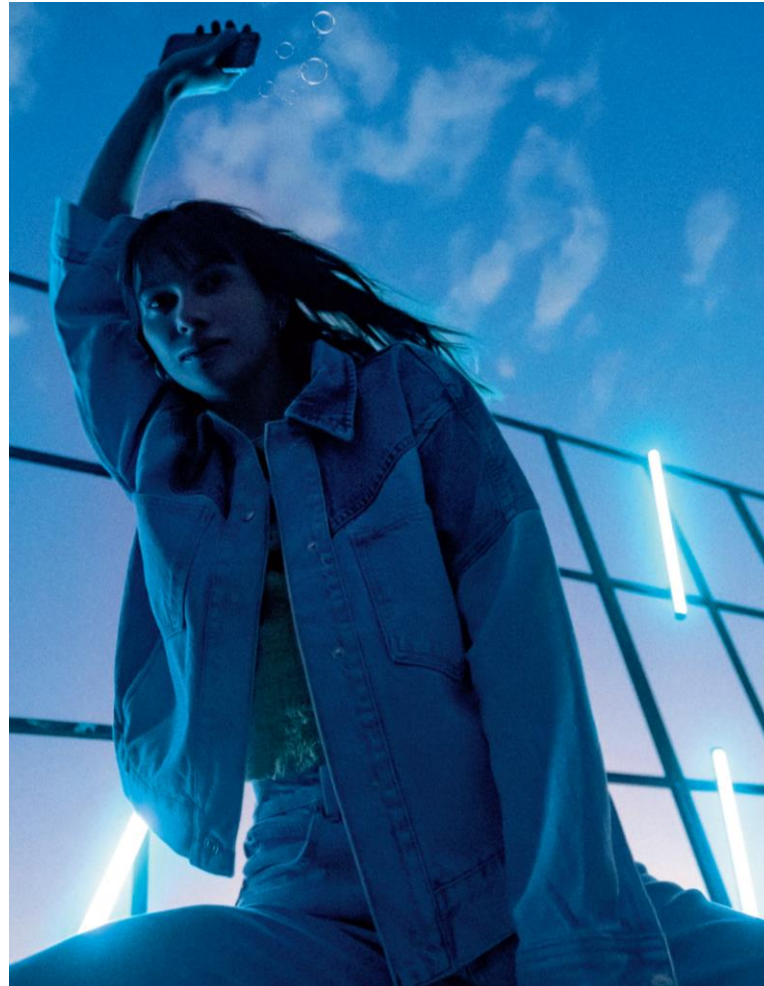
Driving profitable growth through 'more-for-more' strategy

Leveraging network parity, quality of service & price-value leadership

O₂ can do

Key driver of
more-for-more
strategy

Postpaid & Prepaid
launched
April 2023



Blau

Launched
February 2023

ay yıldız

Launched
March 2023

ortel
MOBILE

Launched
March 2023

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

Well on track for nationwide high quality green 5G network

Best ever highspeed mobile coverage across Germany driving economic growth

Very Good Network

3rd consecutive 'very good'

>82%

5G coverage

99% 4G coverage

Very Good Service

Biggest incremental gain



Network Ambition

90%

5G coverage YE23

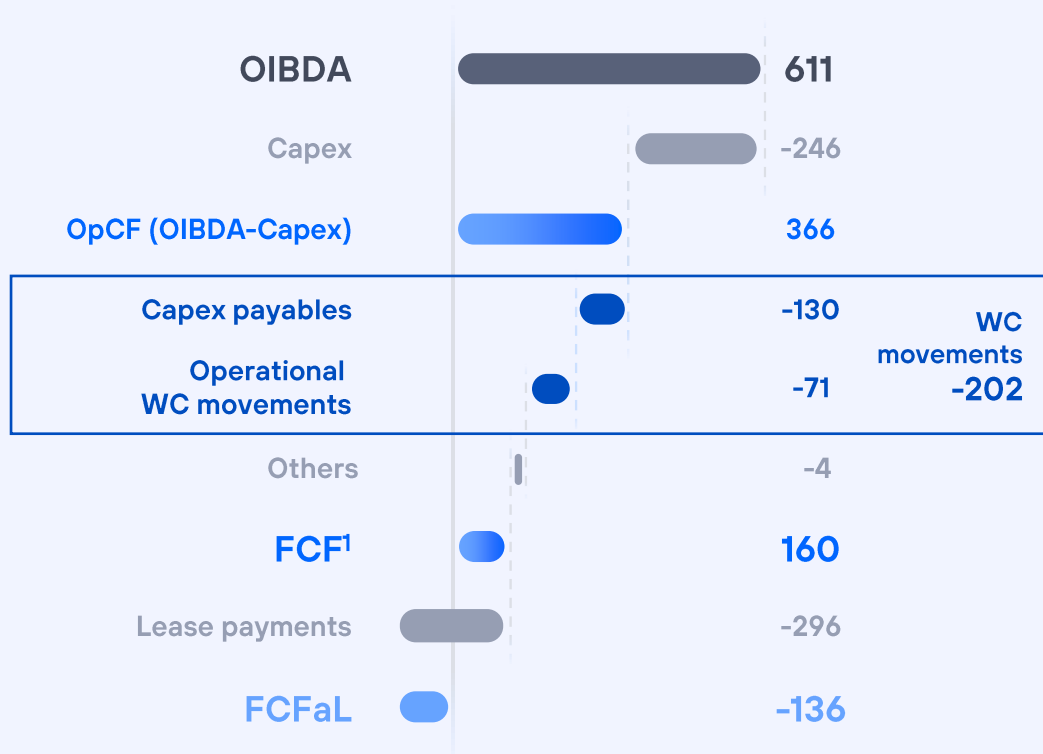
Nationwide latest by YE25

Increase high-speed
availability in radio & core

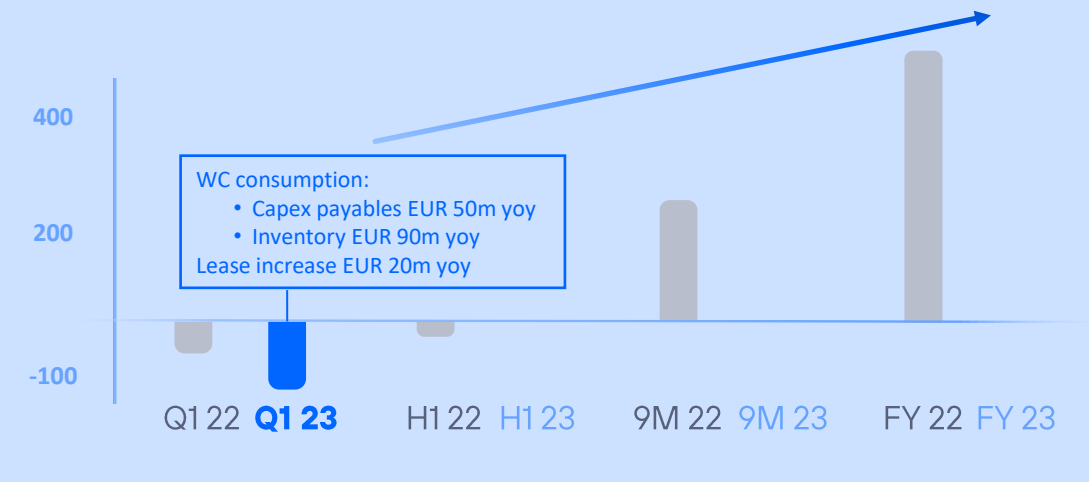
Back-end loaded FCFaL profile driven by capex payables, inventory & leases

Strong balance sheet

Q1 23 FCF (EURm)



Back-end loaded FCFaL profile (EURm)



Net Debt (EURm)

3,272
Leverage 1.3x

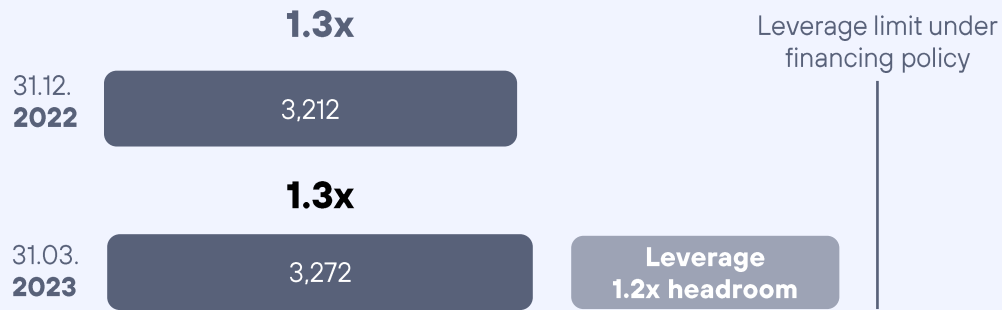
FitchRatings

BBB
Stable Outlook

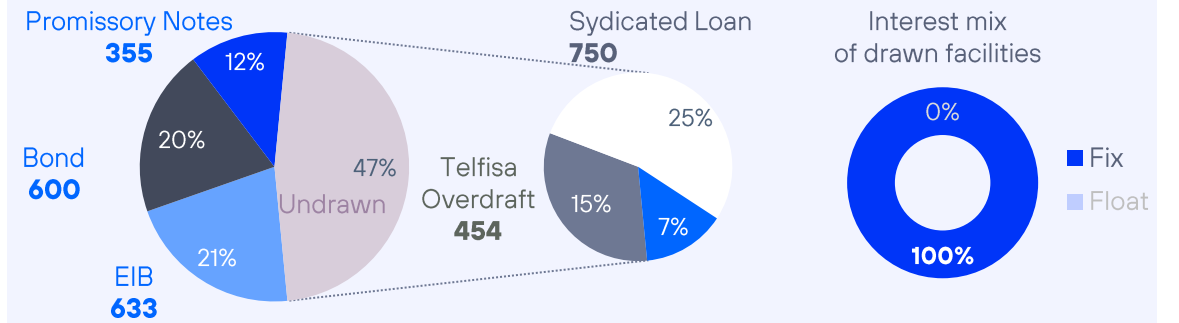
Continuing strong financing profile

Net Financial Debt

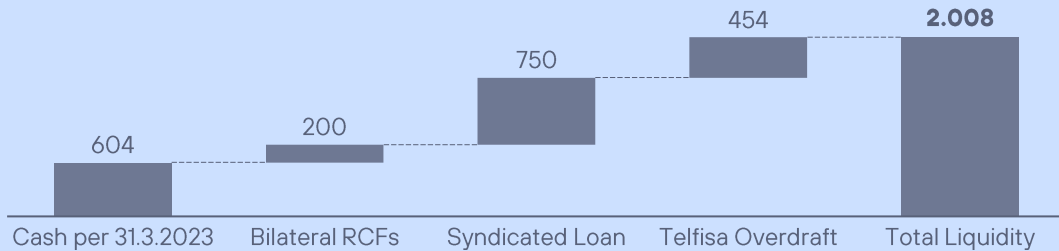
Committed to maintain Fitch BBB investment grade rating



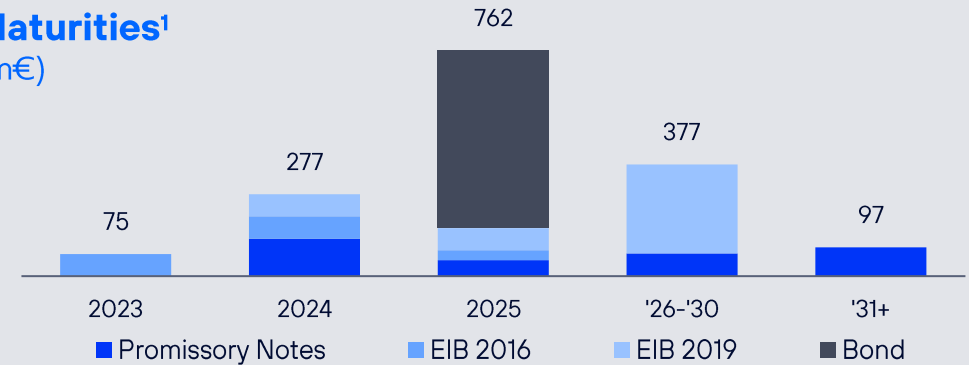
Financing & Interest mix (m€)



Liquidity (m€)



Maturities¹ (m€)



¹ excludes undrawn facilities

Confirming FY23 outlook

Well on track on the back of strong Q1 23 delivery



On-site AGM on 17 May – dividend proposal EURc 18/share

Thank You
We look forward to
your feedback



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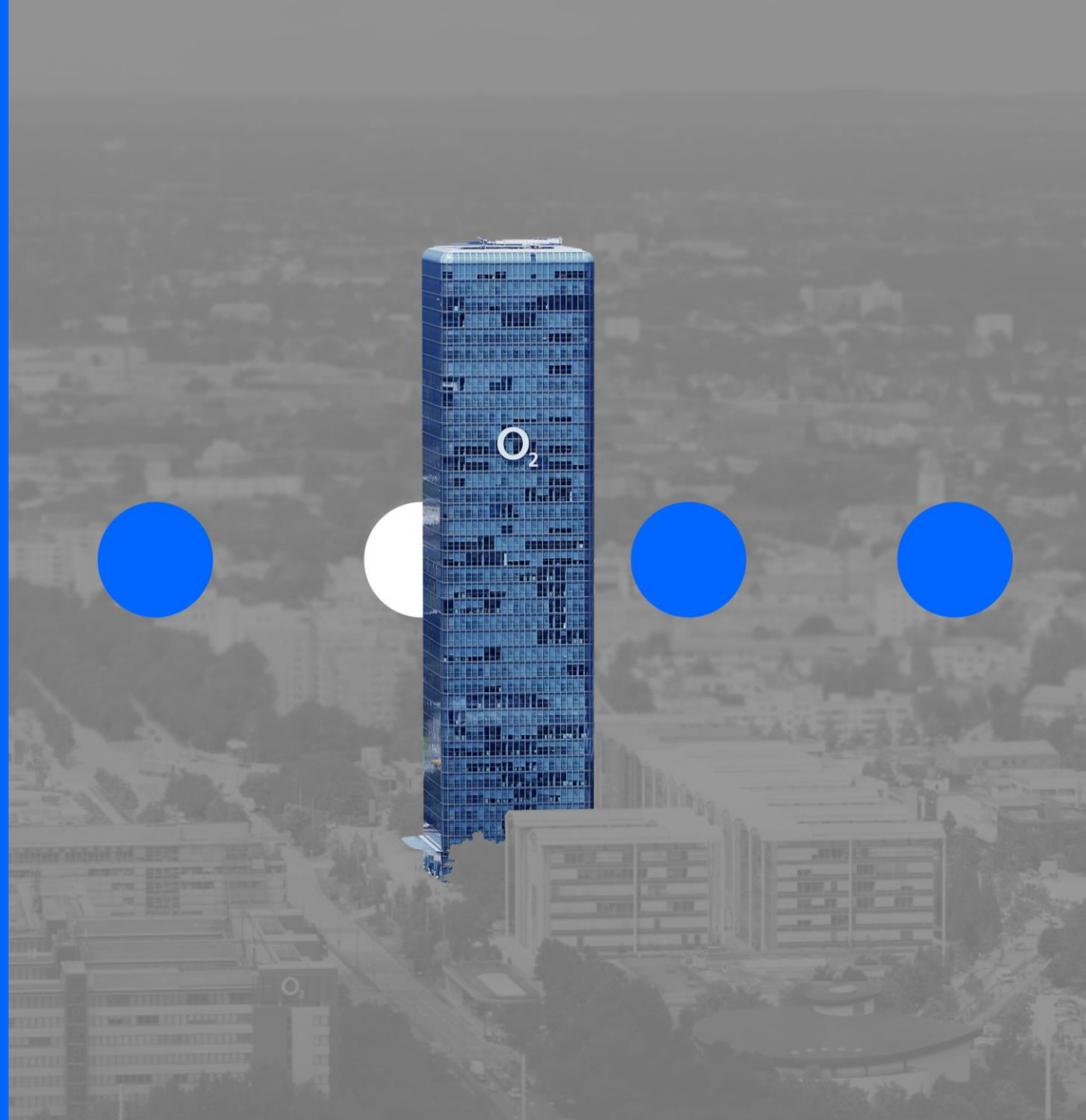
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Appendix



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

3rd Place in Telco Service Sector (total 223)

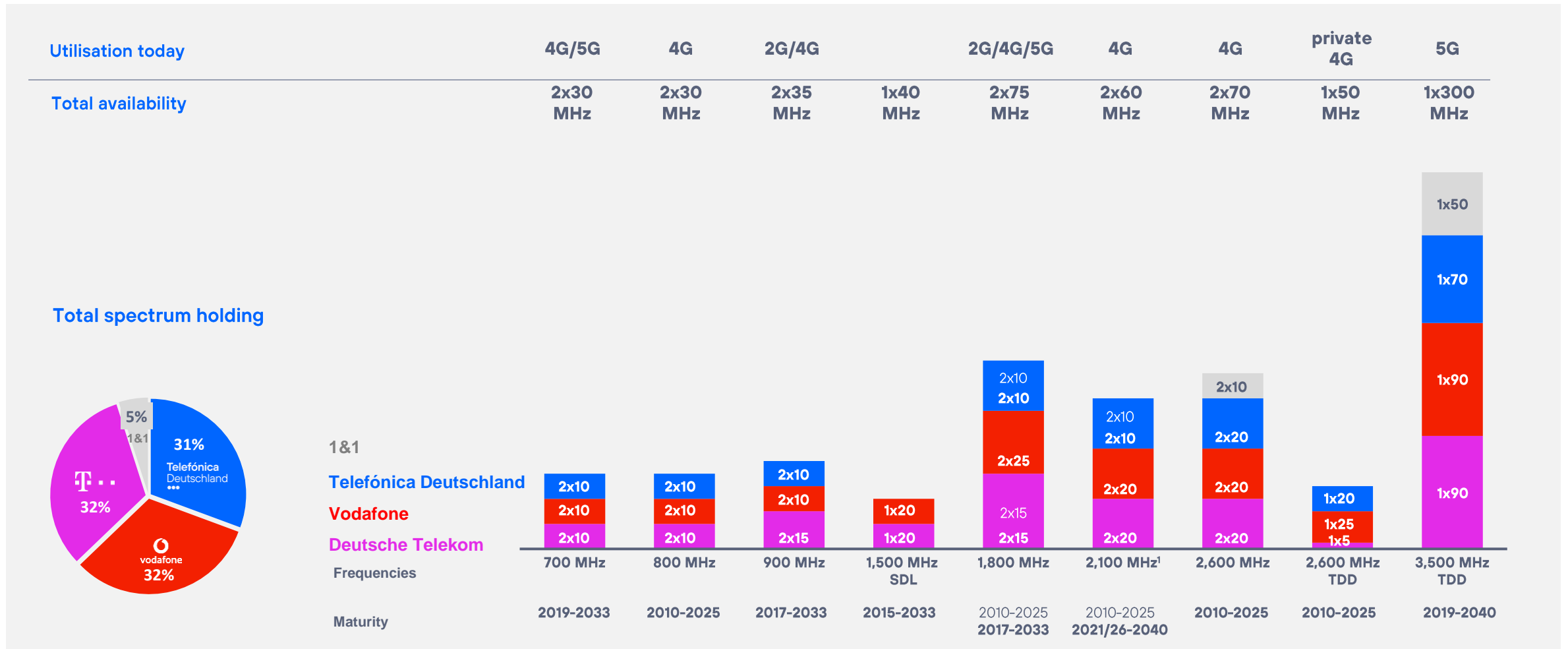
1st Place in Germany

	Risk Low: 12.7 (Low) Exposure Score: 40.0 (Medium) Management Score: 75.9 (Strong)
	Rating: AA
	Rating: 57 of 100 pts*
	Grade: BBB- (Good)
	Successfully listed (4.4 of 5 pts)
	Successfully listed (66 of 100 scores – advanced) ¹
	Successfully listed (72.63%)
	Successfully listed 72/100 (Gold)

• Overall buy-thesis on TEF D remains unchanged while now being more robust and waterproof by reflecting spectrum costs for all German MNOs

- Adding spectrum costs to the TEF D-model in a similar way BAR had already included it in the DTE-model before
- For the VOD-model previous assumptions of regular annual costs have been replaced with a lump-sum in 2024

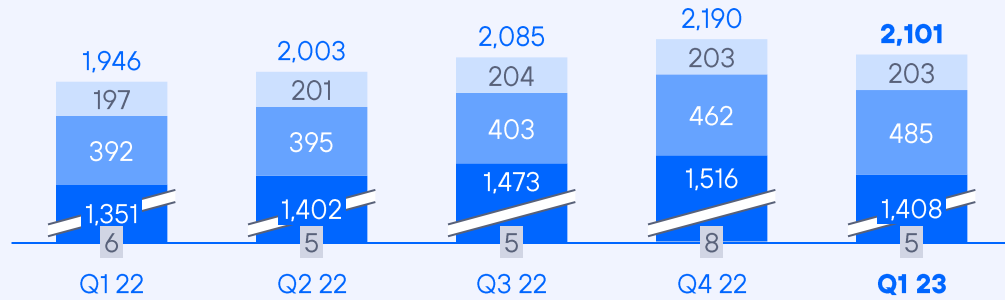
Future-proof spectrum set-up to enable best customer experience



P&L

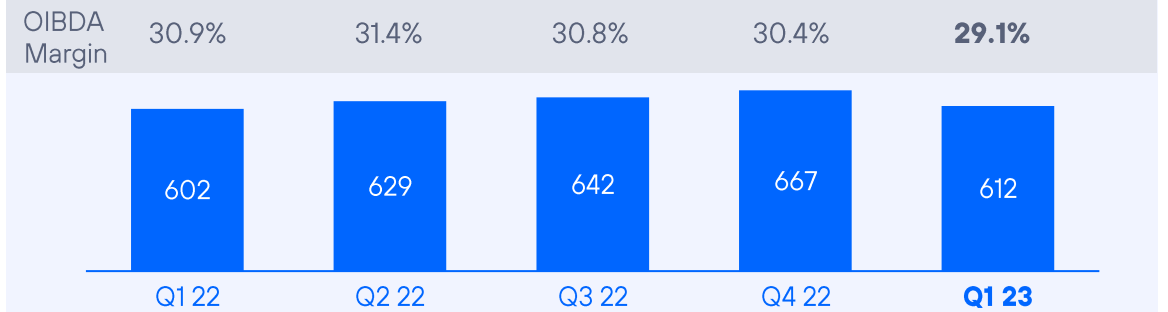
Revenue structure (EUR)

Fixed Handset MSR Other revenues



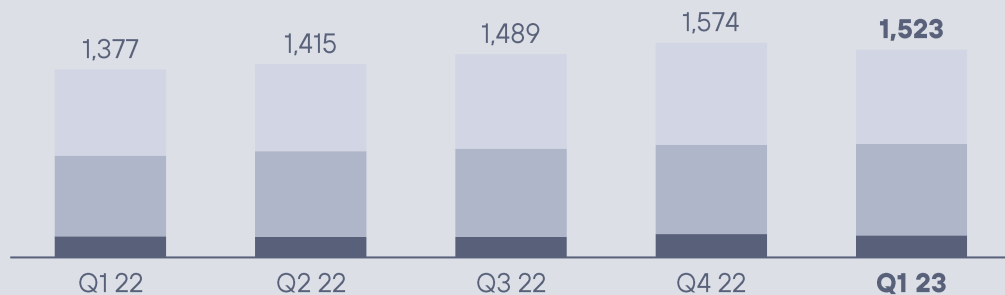
OIBDA¹ (EUR)

OIBDA adj. for exceptional effects



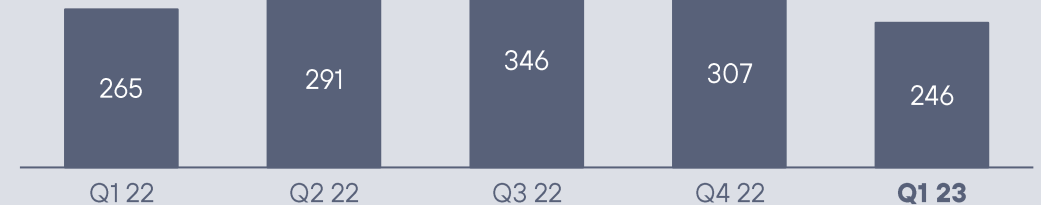
OpEx split² (EUR)

Personnel expenses Supplies Other



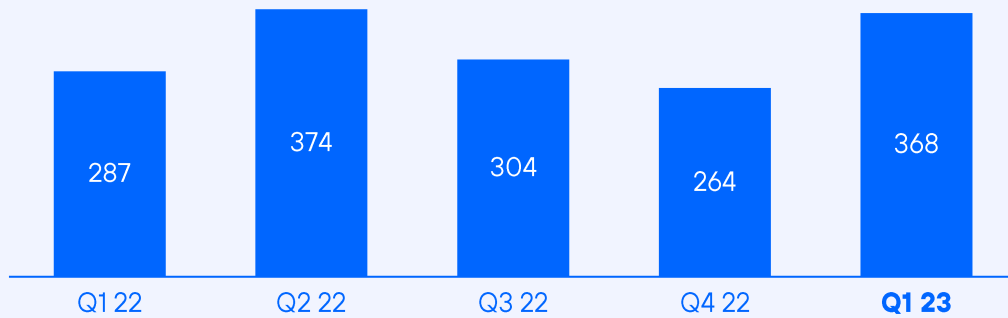
CapEx³ (EUR)

C/S 15.4% 23.1% 13.6% 14.5% 14.0%

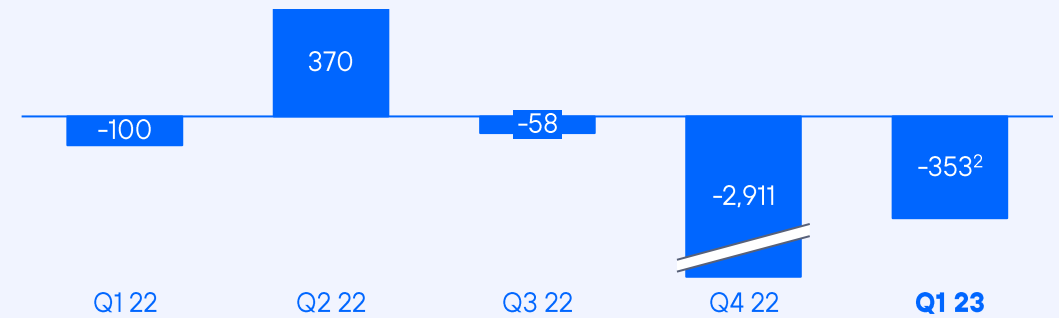


Mobile KPIs

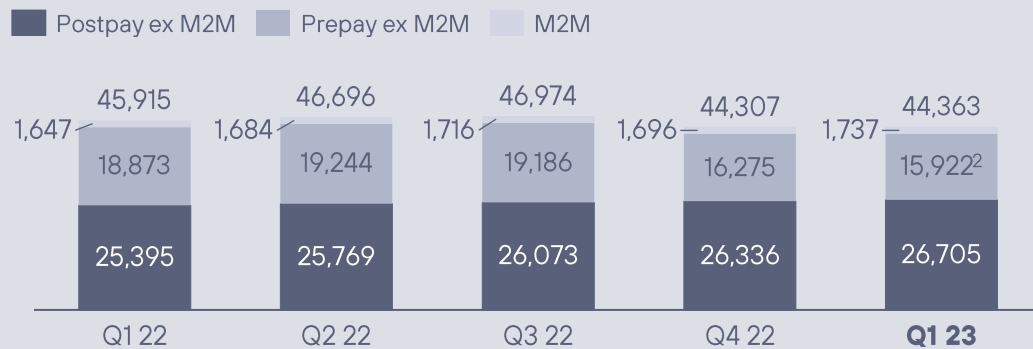
Postpaid net adds¹ (k)



Prepaid net adds (k)

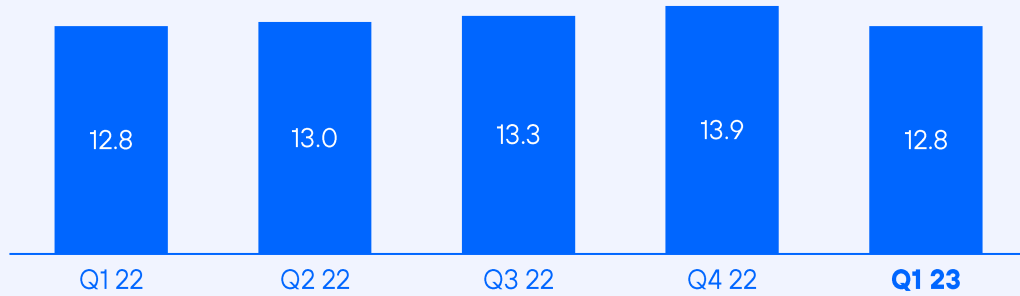


Mobile customer base (k)

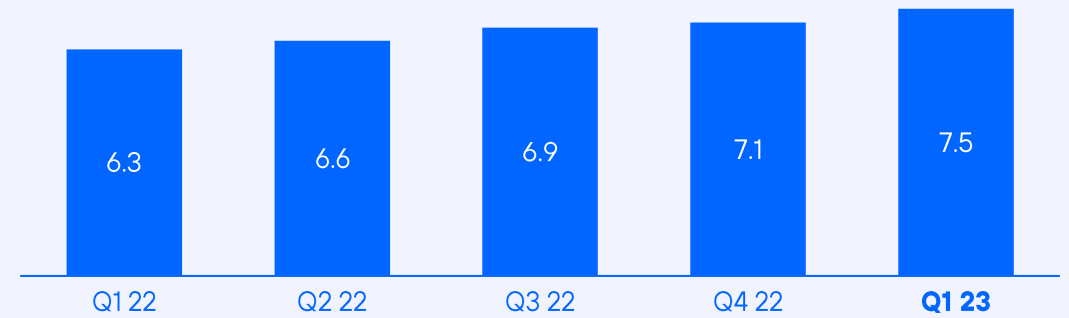


Mobile KPIs

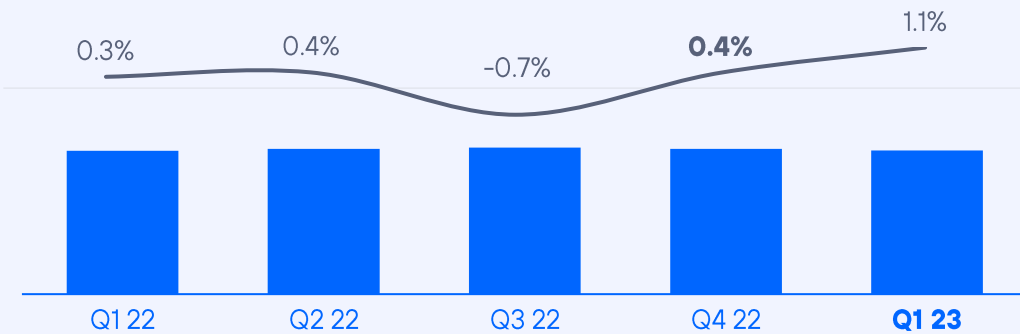
Postpaid ARPU ex M2M (EUR)



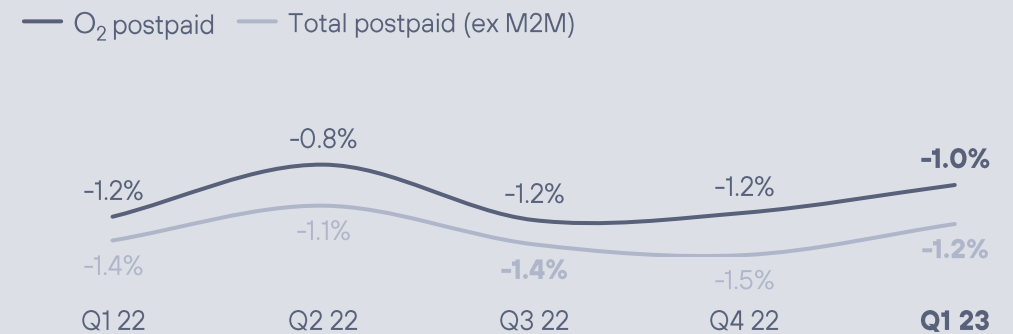
Prepaid ARPU (EUR)



u/L Postpaid O₂ ARPU (%)



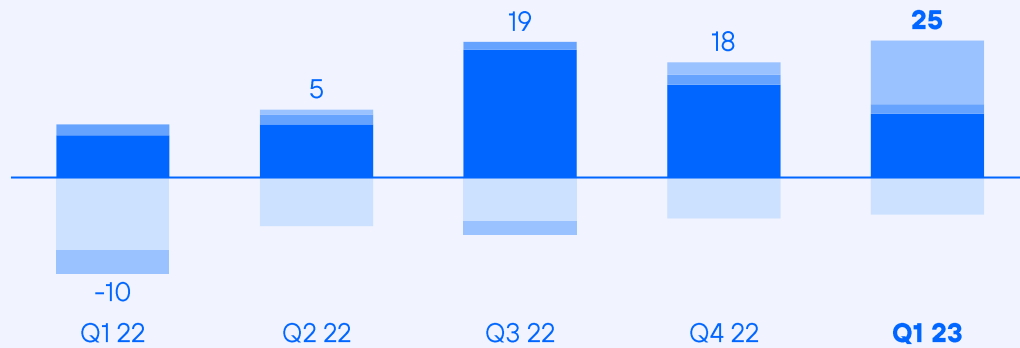
Churn rate (%)



Fixed KPIs

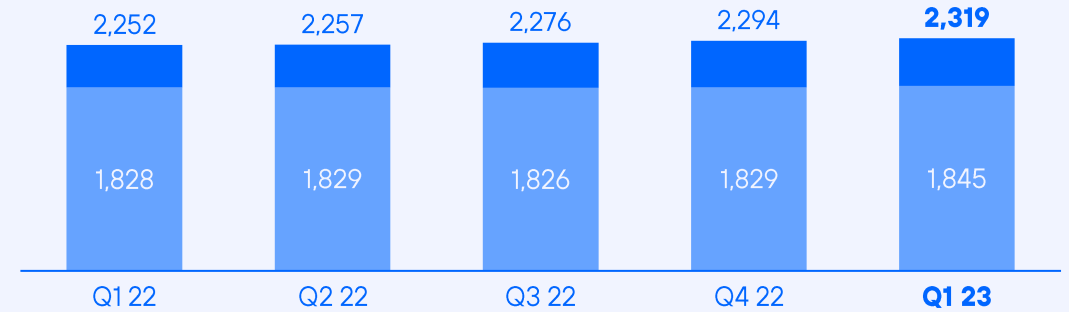
Retail broadband net adds (k)

■ Cable ■ Fibre ■ VDSL ■ DSL

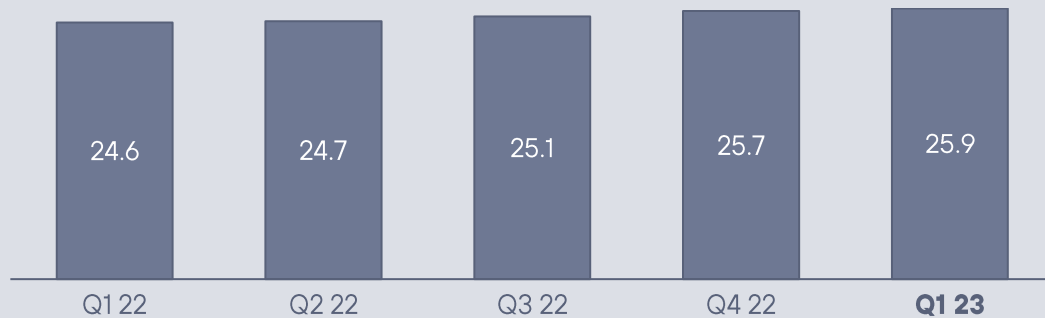


Fixed accesses (k)

■ VDSL



Fixed retail ARPU (EUR)




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
Network	4G / 5G	4G / 5G	4G / 5G
VOICE/SMS flat	✓	✓	✓
EU Roaming	✓	✓	✓
Monthly fee	32.⁹⁹	42.⁹⁹	62.⁹⁹




Unlimited usage



Flexible contract duration:
monthly contract termination








Best-fit by **speed-classes**



Future ready with **5G**

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

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