

Telefónica Deutschland

Investor presentation

November 2023



Disclaimer



This document contains statements that constitute forward-looking statements and expectations about Telefónica Deutschland Holding AG (in the following “the Company” or “Telefónica Deutschland”) that reflect the current views and assumptions of Telefónica Deutschland's management with respect to future events, including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations which may refer, among others, to the intent, belief or current prospects of the customer base, estimates regarding, among others, future growth in the different business lines and the global business, market share, financial results and other aspects of the activity and situation relating to the Company. Forward-looking statements are based on current plans, estimates and projections. The forward-looking statements in this document can be identified, in some instances, by the use of words such as “expects”, “anticipates”, “intends”, “believes”, and similar language or the negative thereof or by forward-looking nature of discussions of strategy, plans or intentions. Such forward-looking statements, by their nature, are not guarantees of future performance and are subject to risks and uncertainties, most of which are difficult to predict and generally beyond Telefónica Deutschland's control, and other important factors that could cause actual developments or results to materially differ from those expressed in or implied by the Company's forward-looking statements. These risks and uncertainties include those discussed or identified in fuller disclosure documents filed by Telefónica Deutschland with the relevant Securities Markets Regulators, and in particular, with the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin). The Company offers no assurance that its expectations or targets will be achieved. Analysts and investors, and any other person or entity that may need to take decisions, or prepare or release opinions about the shares / securities issued by the Company, are cautioned not to place undue reliance on those forward-looking statements, which speak only as of the date of this document. Past performance cannot be relied upon as a guide to future performance. Except as required by applicable law, Telefónica Deutschland undertakes no obligation to revise these forward-looking statements to reflect events and circumstances after the date of this presentation, including, without limitation, changes in Telefónica Deutschland's business or strategy or to reflect the occurrence of unanticipated events. The financial information and opinions contained in this document are unaudited and are subject to change without notice. This document contains summarised information or information that has not been audited. In this sense, this information is subject to, and must be read in conjunction with, all other publicly available information, including if it is necessary, any fuller disclosure document published by Telefónica Deutschland. None of the Company, its subsidiaries or affiliates or by any of its officers, directors, employees, advisors, representatives or agents shall be liable whatsoever for any loss however arising, directly or indirectly, from any use of this document its content or otherwise arising in connection with this document. This document or any of the information contained herein do not constitute, form part of or shall be construed as an offer or invitation to purchase, subscribe, sale or exchange, nor a request for an offer of purchase, subscription, sale or exchange of shares / securities of the Company, or any advice or recommendation with respect to such shares / securities. This document or a part of it shall not form the basis of or relied upon in connection with any contract or commitment whatsoever. These written materials are especially not an offer of securities for sale or a solicitation of an offer to purchase securities in the United States, Canada, Australia, South Africa and Japan. Securities may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended, or an exemption there from. No money, securities or other consideration from any person inside the United States is being solicited and, if sent in response to the information contained in these written materials, will not be accepted.

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

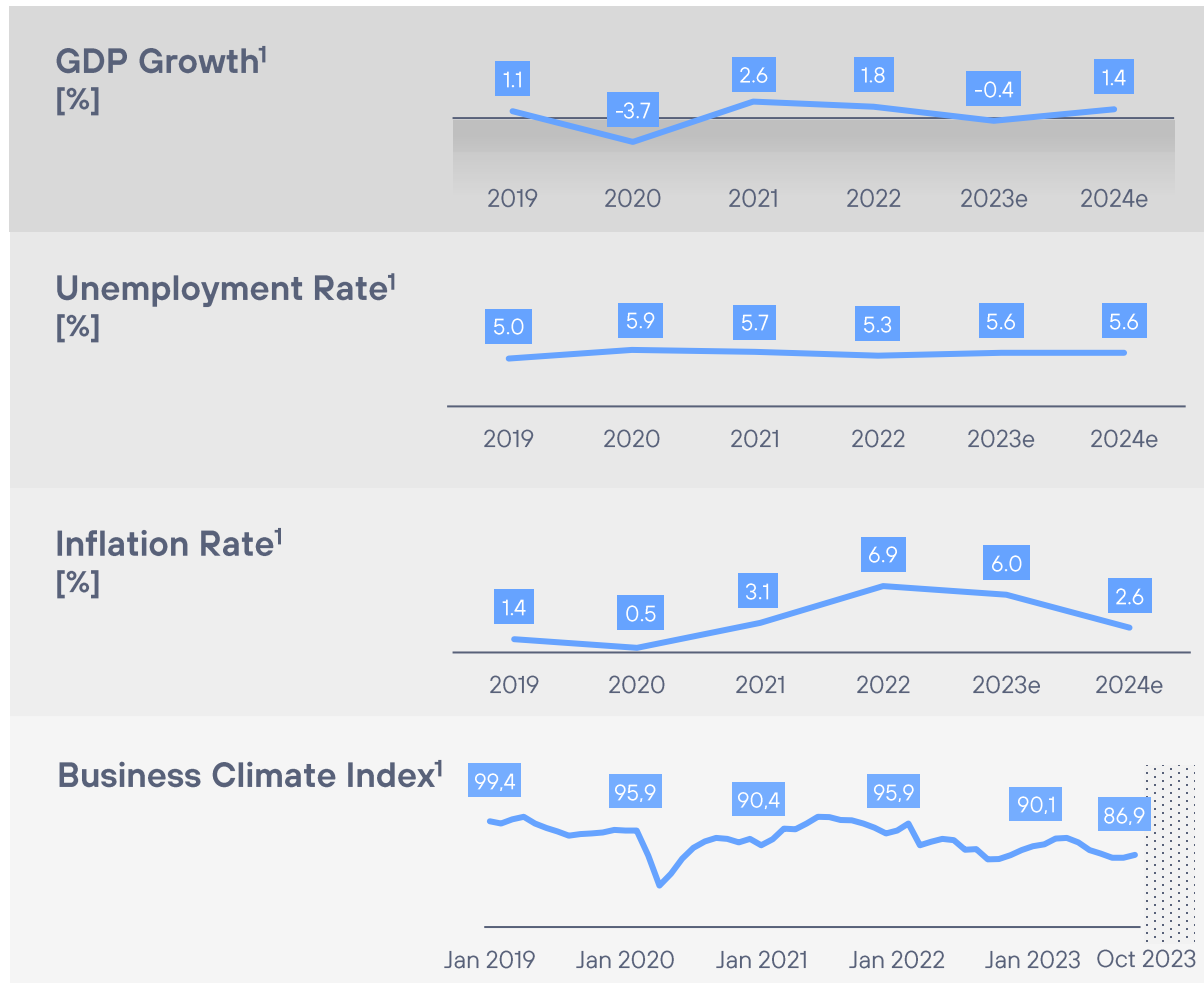
Robust financial profile

Strong FCF trajectory

High pay-out ratio of FCFaL

ESG leadership

Robust German economy despite some inflationary pressures



Current Trends

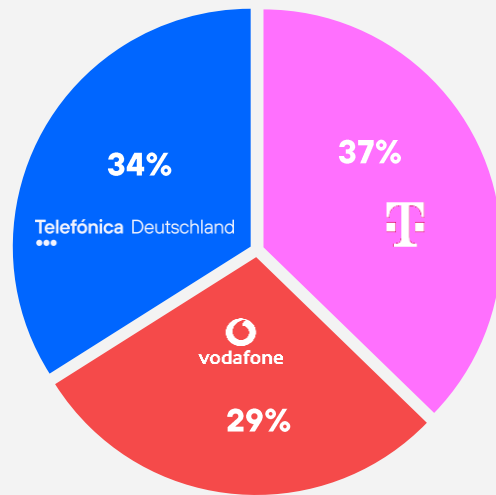
- Dynamic yet rational mobile market
- Data growth with continued CAGR 2021-25 of >50%
- Soft convergent market environment
- 3 strong mobile networks

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



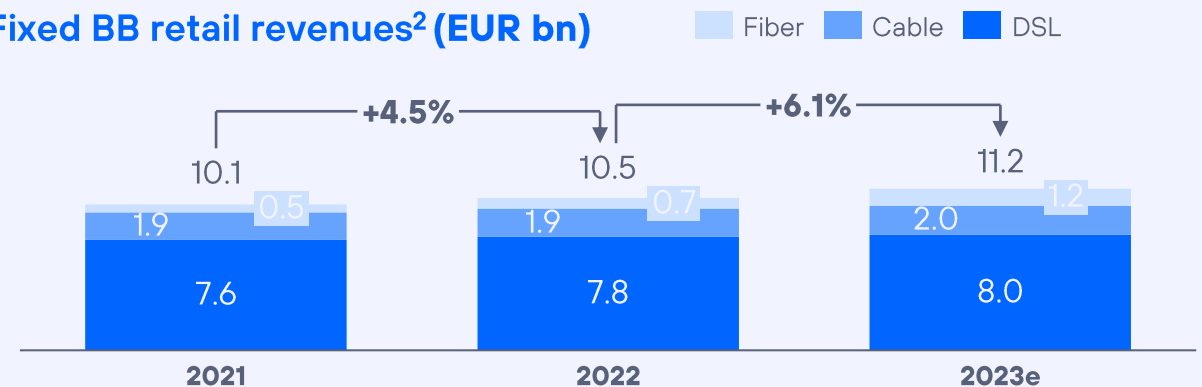
- Rational market following 4 to 3 consolidation
- Tiered mobile portfolios enabling data monetisation

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 9M 23

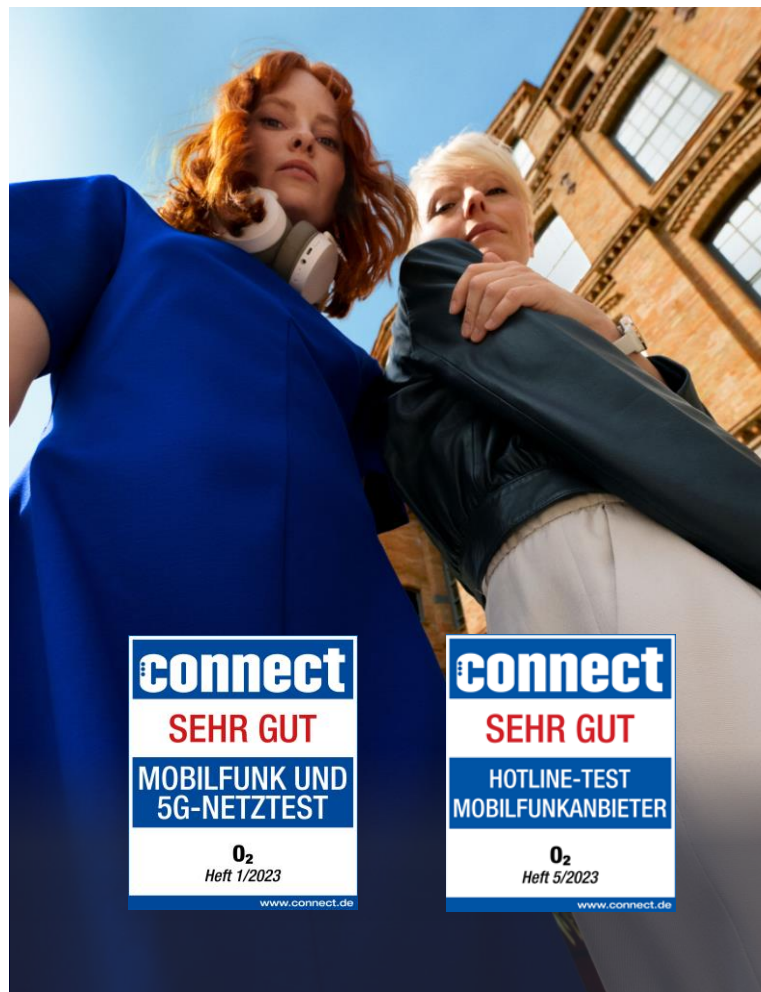
'Very Good' Network

3rd consecutive 'very good'

>90%
5G coverage

'Very Good' Service

Biggest incremental gain



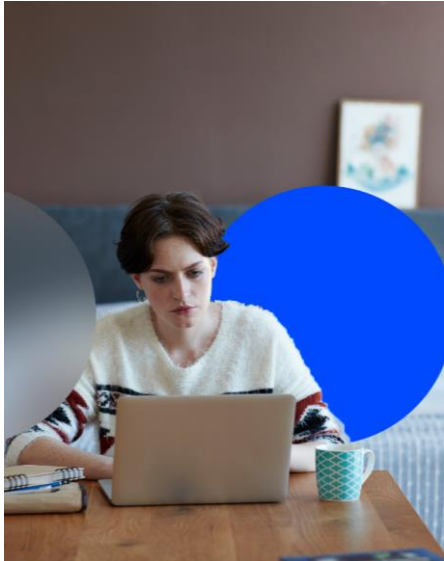
Network Ambition



Nationwide 5G coverage
latest by YE25

ESG Highlights

Focus on responsibility for employees & society



**Achieving
improved eNPS**
'all-time high'



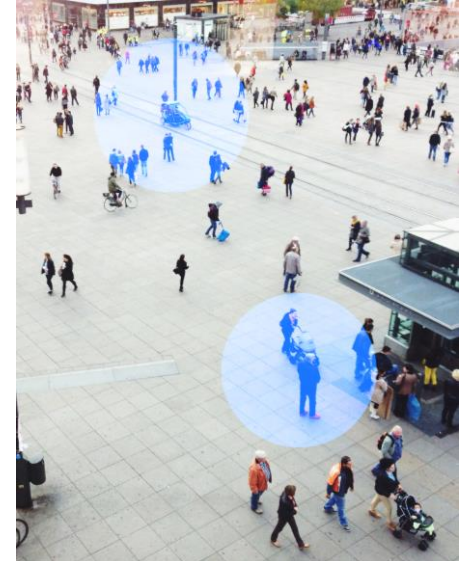
**Supporting
employees
to manage
inflationary
cost pressures**



**Driving
green energy
efficiencies
to support
climate neutrality**



**Providing
telecommunication
support for
crises areas**



**Enabling
digital society**

Extended growth path on track for FY23 outlook

Strong business momentum

Strategic Focus

Growth

Increase market share
across all segments

Network

Sustain network quality
powered by green energy

Transformation

Accelerate digitalisation



9M 23 Results

+4.8%

Revenues

+2.7%

OIBDA¹

12.9%

Capex/Sales

¹ Adjusted for exceptional effects

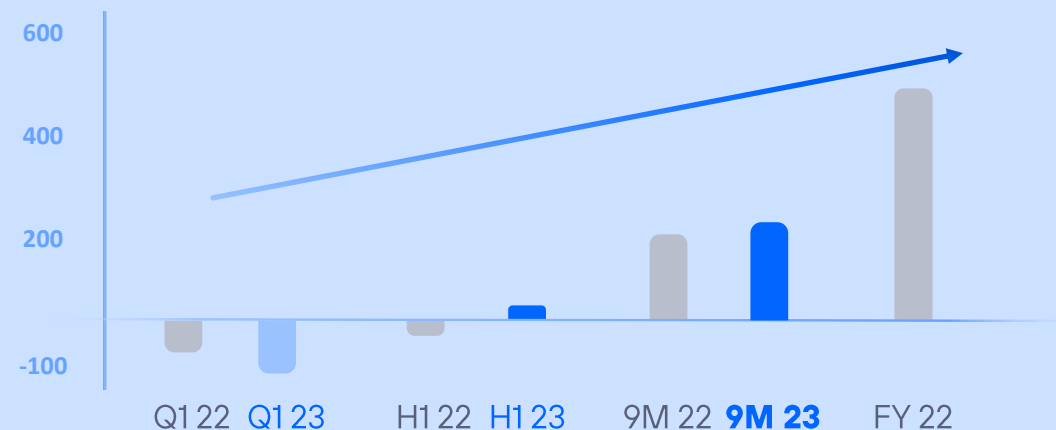
FCFaL trend with usual year-end phasing

On target to meet FCFaL consensus¹ for FY23

9M 23 FCF² (EURm)

| | | |
|---|-------|-------------------------|
| OIBDA | 1,921 | |
| Capex | -816 | |
| OpCF (OIBDA-Capex) | 1,105 | |
| Capex payables | -148 | WC movements -264 |
| Other WC movements | -117 | |
| Others | -80 | |
| FCF | 761 | |
| Lease payments | -553 | |
| FCFaL | 208 | |
| Proceeds / payments for investments in associates | +15 | |
| Adj. FCFaL ³ | 223 | |

Back-end loaded FCFaL² profile (EURm)



Net Debt (EURm)

3,535
Leverage 1.4x

FitchRatings

BBB
Stable Outlook

Fully on track for upgraded FY23 outlook
Strong results underpin management confidence

9M 23 Results

+4.8%

Revenues

+2.7%

OIBDA¹

12.9%

C/S

¹ Adjusted for exceptional effects

FY23 Outlook

Upper-range of low single digit % growth
incl. regulatory headwinds of 50-60 EURm

Upper-range of low single digit % growth
incl. regulatory headwinds of 10-15 EURm

~14%

Thank You
We look forward to
your feedback



Christian Kern

Director Investor Relations

+49 179 9000 208

christian.kern@telefonica.com



Marion Polzer, CIRO

Head of Investor Relations

+49 176 7290 1221

marion.polzer@telefonica.com



Eugen Albrecht, CIRO

Senior Investor Relations Officer

+49 176 3147 5260

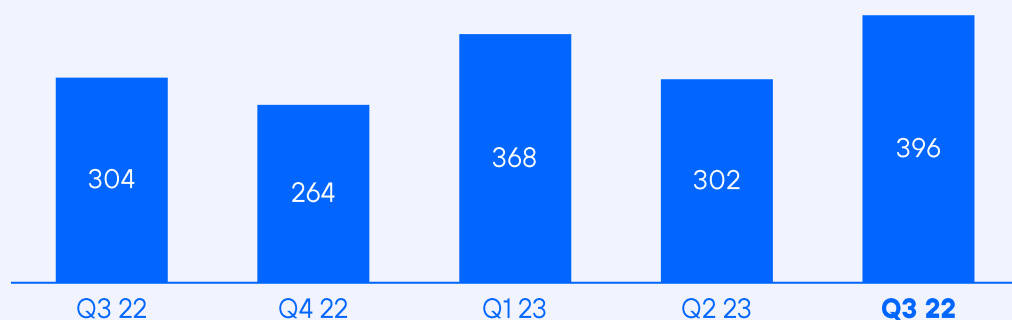
eugen.albrecht@telefonica.com

Appendix

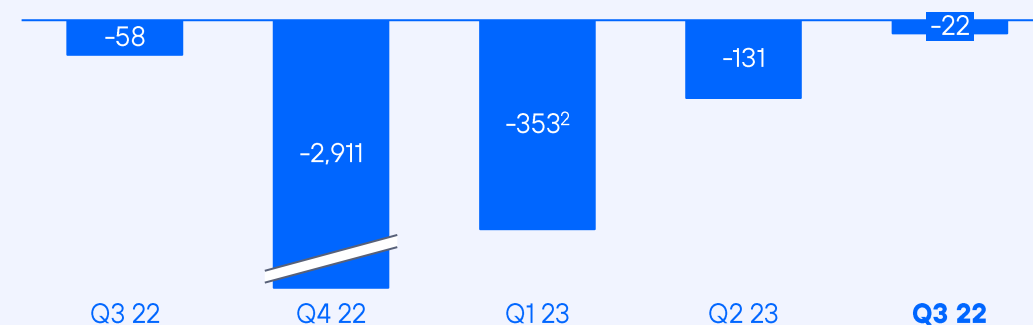


Mobile KPIs

Postpaid net adds¹ (k)

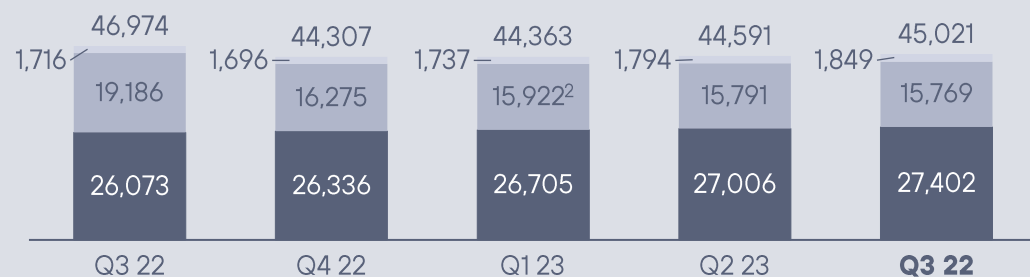


Prepaid net adds (k)



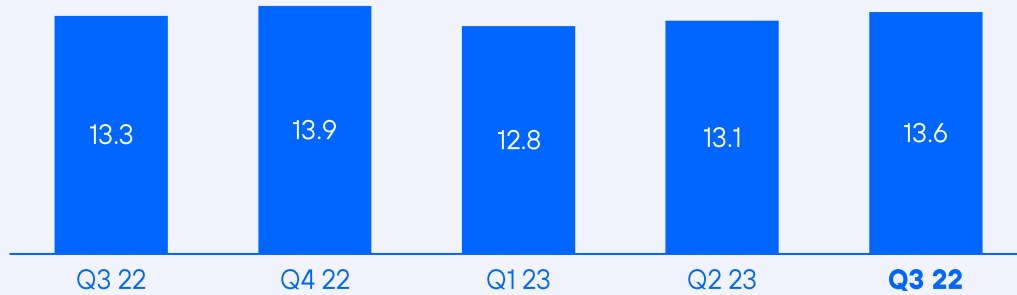
Mobile customer base (k)

■ Postpay ex M2M ■ Prepay ex M2M ■ M2M

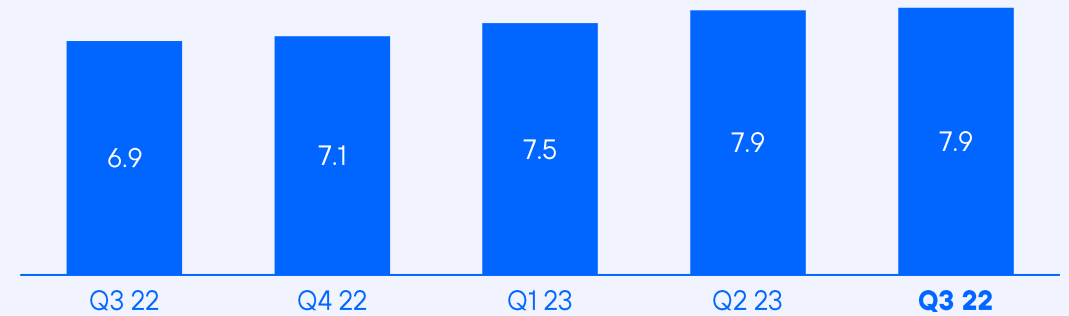


Mobile KPIs

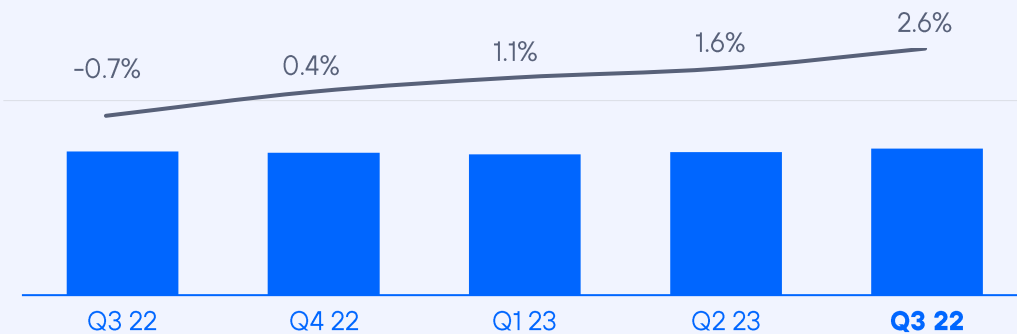
Postpaid ARPU ex M2M (EUR)



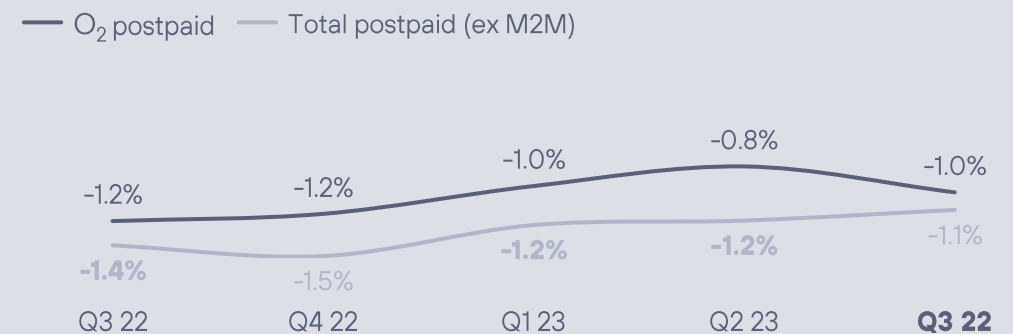
Prepaid ARPU (EUR)



u/L Postpaid O₂ ARPU (%)

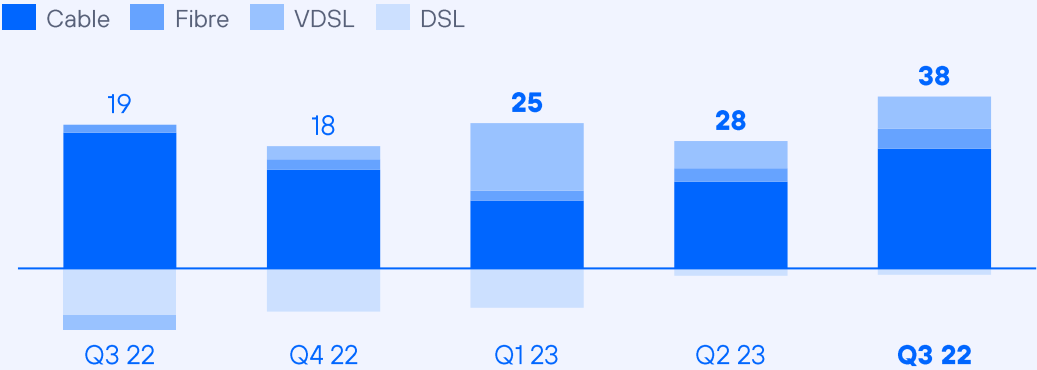


Churn rate (%)

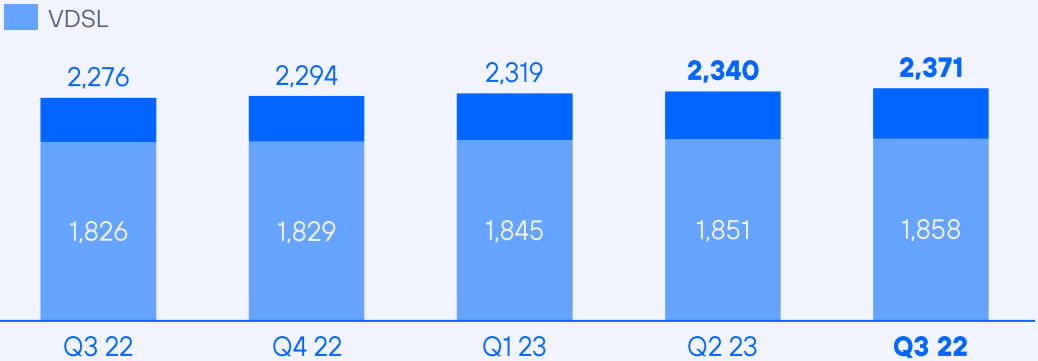


Fixed KPIs

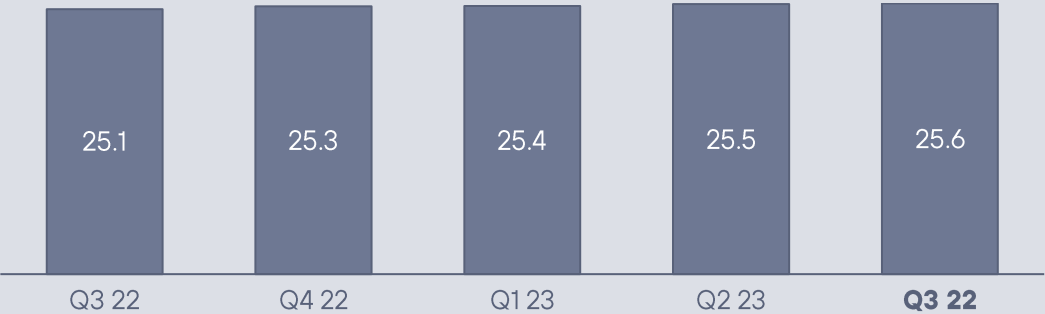
Retail broadband net adds (k)



Fixed accesses (k)



Fixed retail ARPU (EUR)¹

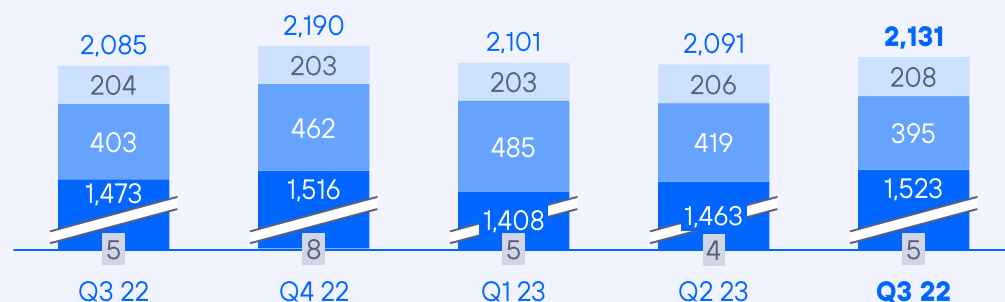


¹ Definition adjustment of fixed BB (FBB) ARPU calculation as of 1 January 2023 to fully reflect all fixed revenue streams; for comparability reasons including adjustment of previous year's values

P&L

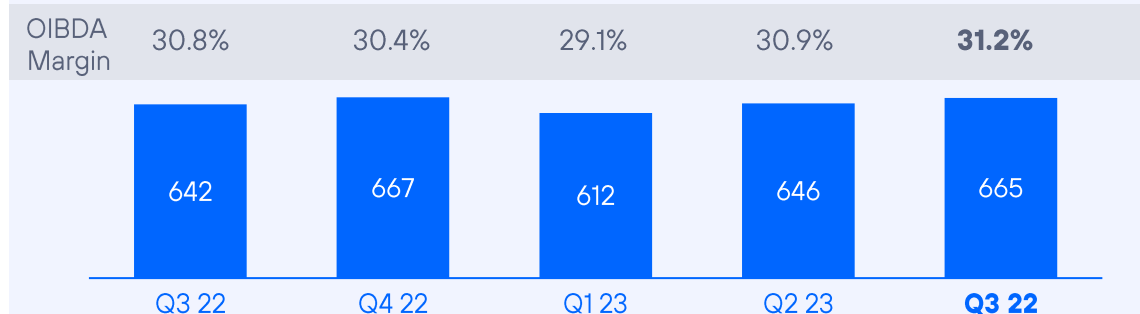
Revenue structure (EUR)

Fixed Handset MSR Other revenues



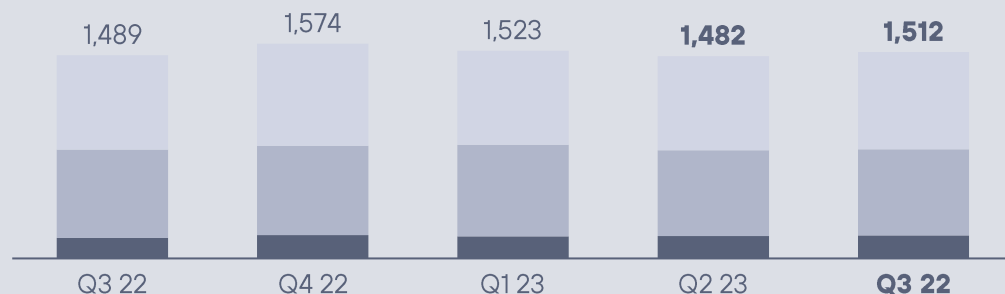
OIBDA¹ (EUR)

OIBDA adj. for exceptional effects

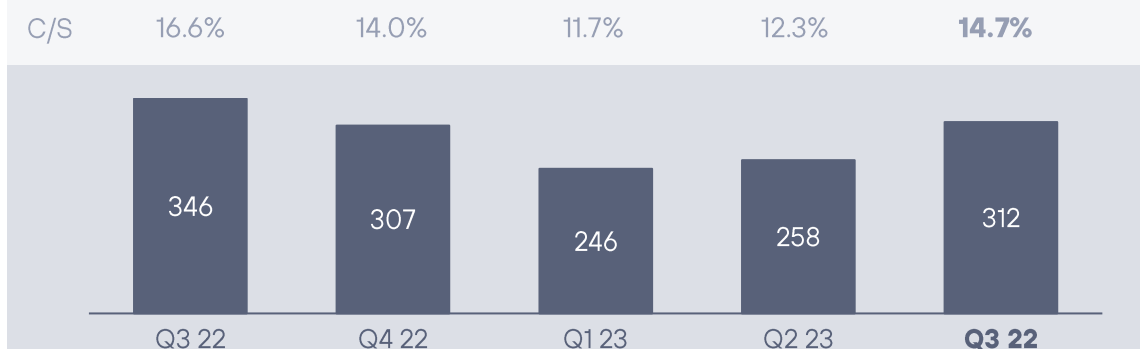


OpEx split² (EUR)

Personnel expenses Supplies Other



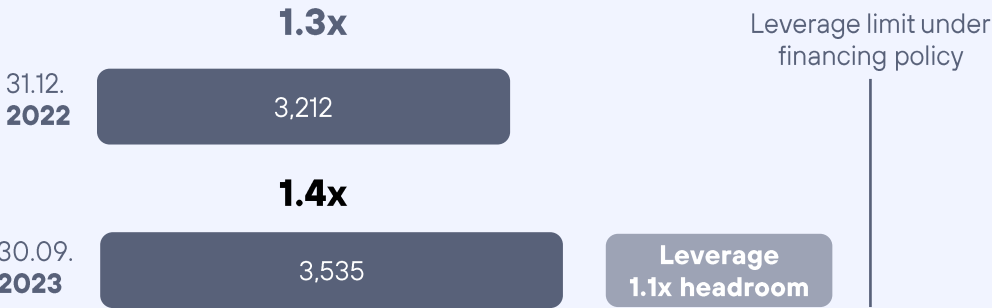
CapEx³ (EUR)



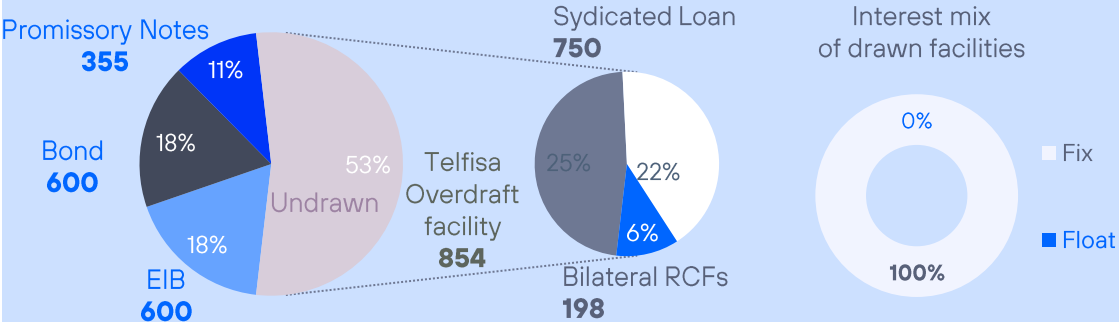
Continuing strong financing profile¹

Net Financial Debt

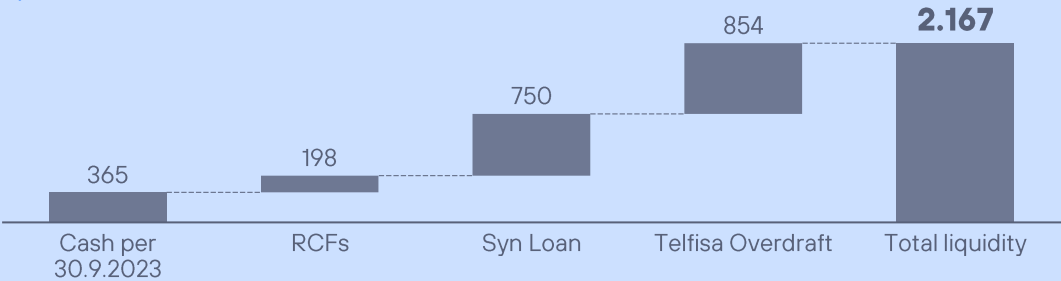
Committed to maintain Fitch BBB investment grade rating



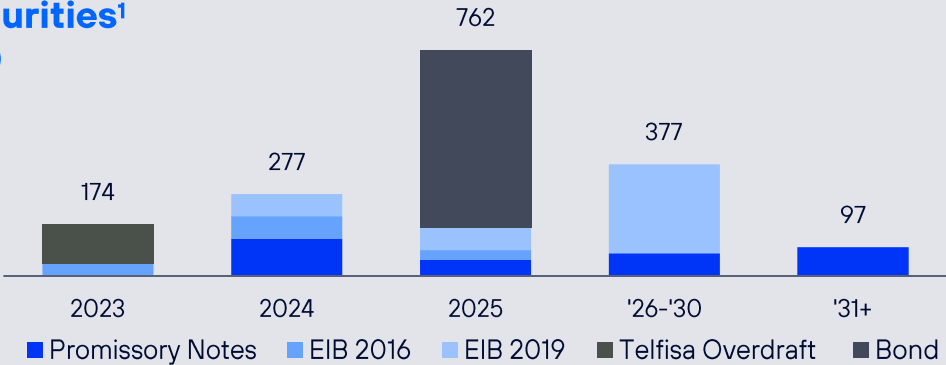
Financing & Interest mix (m€)



Liquidity (m€)



Maturities¹ (m€)



¹ excludes undrawn facilities

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 | 70 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**

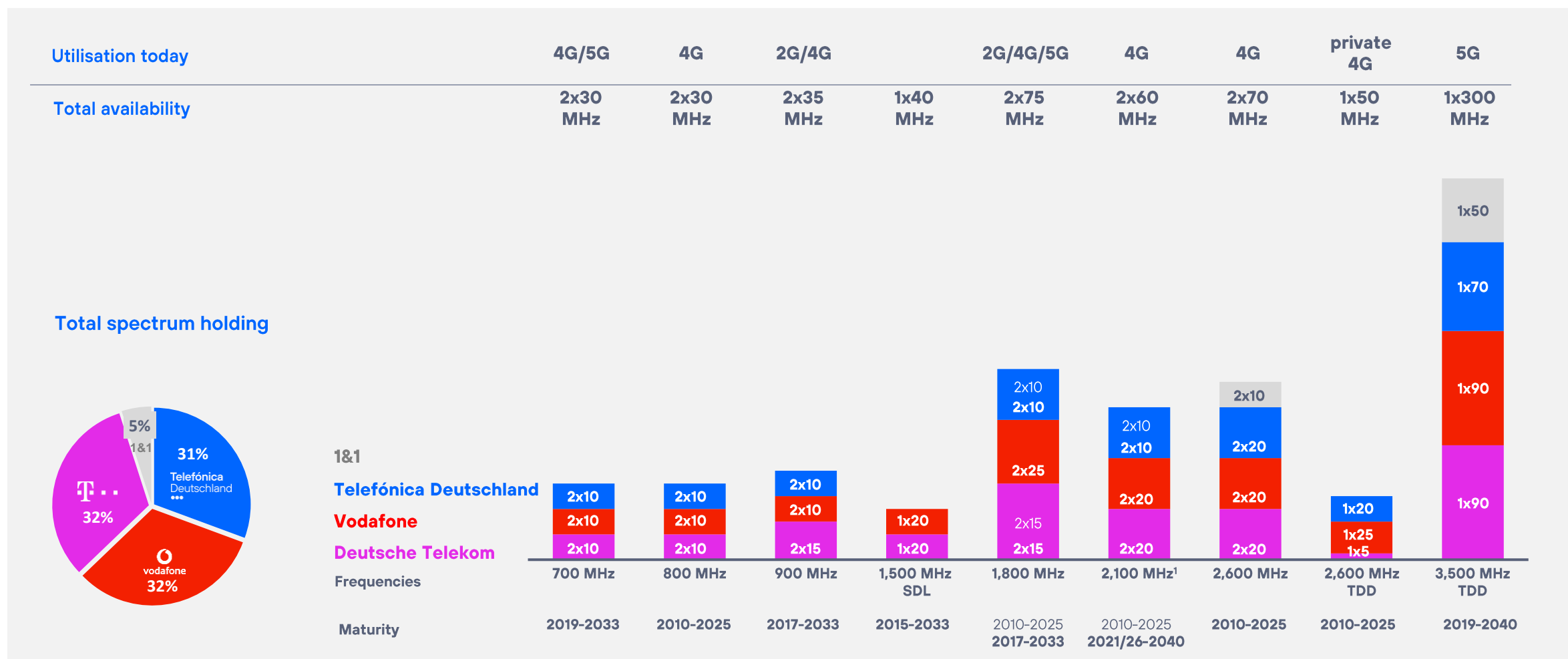
More-for-more 'O₂ Mobile' unlimited tariff portfolio launched Apr-23

| | 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 | ✓ | ✓ | ✓ | |
| EU Roaming | ✓ | ✓ | ✓ |  Best-fit by speed-classes |
| Monthly fee | 32.⁹⁹ | 42.⁹⁹ | 99.⁹⁹ |  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 | 50 MBit/s Upload 10 MBits/s | 100 MBit/s Upload 40 MBits/s | 250 MBit/s Upload 40 MBits/s | 500 MBit/s Upload 100 MBits/s | 1000 MBit/s Upload 200 MBits/s |
| Technology |  |  |  |  |  |
| Voice flat to German fixed & mobile networks | ✓ | ✓ | ✓ | ✓ | ✓ |
| Optional (selection) | | | | | |
| HomeBox 3 | 3.99 mthl | 3.99 mthl | 3.99 mthl | 3.99 mthl | 3.99 mthl |
| AVM FB 6660 (Cable) | 4.99 mthl | 4.99 mthl | 4.99 mthl | 4.99 mthl | 4.99 mthl |
| Homespot (FMS) | 5.99 mthl (LTE) | 7.99 mthl (5G) | | | |
| AVM FB 5530 (FTTH) | | 5.99 mthl | 5.99 mthl | 5.99 mthl | 5.99 mthl |
| Monthly fee 24m contract | 29.⁹⁹ | 34.⁹⁹ | 39.⁹⁹ | 49.⁹⁹ | 59.⁹⁹ |
| Monthly fee 24m contract FTTH | | 39.⁹⁹ | 44.⁹⁹ | 54.⁹⁹ | 79.⁹⁹ |

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



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

| | | |
|--|--|---|
|  SUSTAINALYTICS | Risk Low: 12.7 (Low) Exposure Score: 40.0 (Medium) Management Score: 75.9 (Strong) | 3rd Place in Telco Service Sector (total 223) |
|  MSCI | Rating: AA | 1st Place in Germany |
| S&P Global | Rating: 57 of 100 pts ¹ | |
|  ISS ESG | Grade: Prime B- (Good) | |
| FTSE Russel | Successfully listed (4.4 of 5 pts) | |
|  V.E | Successfully listed (66 of 100 scores – advanced) ² | |
| Bloomberg | Successfully listed (72.63%) | |
|  Business Sustainability Ratings | Successfully listed 72/100 (Gold) | |

Telefónica Deutschland
●●●