

Telefónica Deutschland
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Preliminary results Q2/H1 2021

28 July 2021

Markus Haas

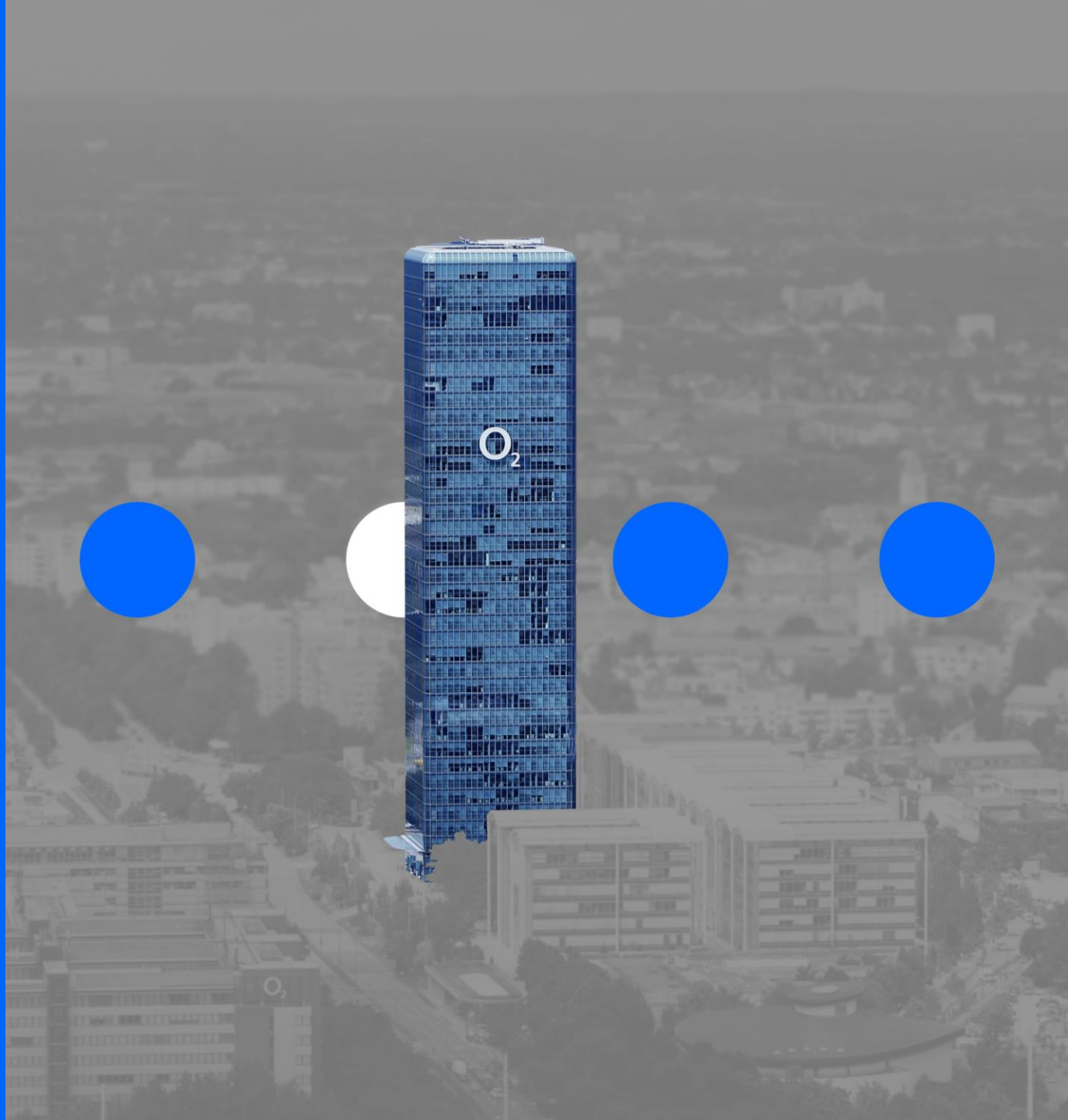
CEO

 @Markus Haas

Markus Rolle

CFO

 @Markus Rolle



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Successful first half of 'investment for growth' programme

Updating FY21 outlook to 'slightly positive' yoy growth

We democratise access to the sustainable digital future to create a better everyday life for everyone

Boost Revenues

Outperform the market



Mobile Growth

Gaining rural share & reinforcement in urban



Smart Bundling (incl. FMS)

Capturing value & reducing churn



Attack in B2B

Targeting fair SME share

H1 2021

Revenue yoy

+2.9%

+1.9%²

OIBDA¹ yoy

+8.2%

+3.5%³

Capex/Sales

13.6%

Net Adds⁴

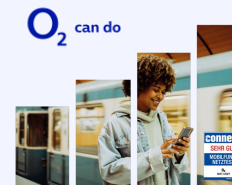
~594k

O₂ Churn⁵

0.9%



ESG at the heart
of our strategy



National Roaming Agreement

¹ Adjusted for exceptional effects

² Excl. non-recurrent special factors

³ Excl. non-recurrent special factors & received social security payments

⁴ Postpaid excl. 124k M2M

⁵ O₂ Postpaid

Swift business recovery following re-opening of economy

O₂ GROSS ADDS



Channel mix

O₂ CHURN



At historic lows

PREPAID TOP-UP BOOKINGS



Recovered

Gradual recovery of int'l roaming revenues since phased re-opening

>50% of Q2 19 level
(pre-pandemic nonEU)

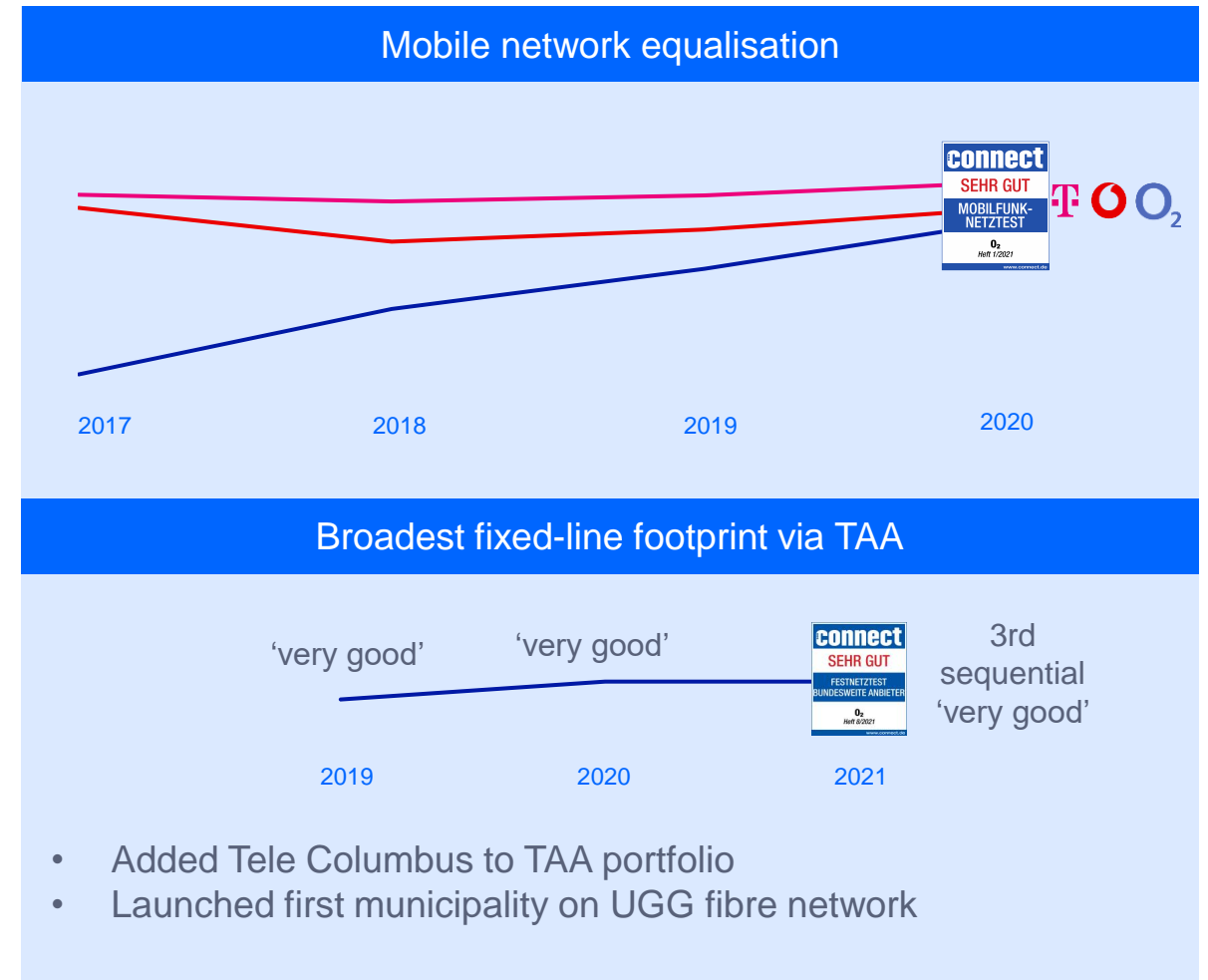


Awarded 'very good' rating for mobile and fixed networks

O₂ can do



At home or on the go:
Welcome to the very good network from O₂



Rapid 5G rollout – data growth accelerated with highspeed mobile network

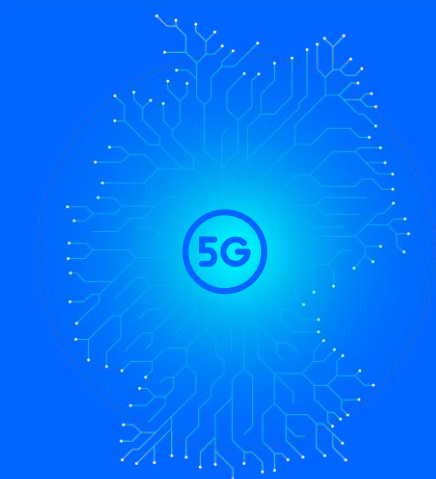
O₂ 5G Network rapidly expanding



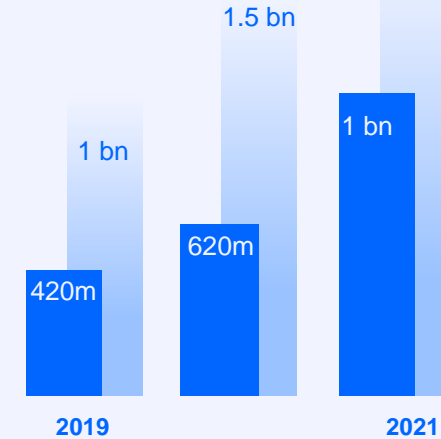
5G in more than 80 cities



More than 2.000
5G antennas
on 3.6 GHz spectrum



Data traffic more than doubling every 2 years



¹ O₂ Free Postpaid

Normalised C/S following completion of 'investment for growth' programme

Whitespot sharing

Greyspot sharing

Mobile pact

MIG



Updating FY21 outlook to 'slightly positive' yoy growth

	FY21 outlook ¹	Actuals H1 21	Updated FY21 outlook ¹
Revenues	Flat to slightly positive	+2.9% yoy 3,636 3,743 H1 20 H1 21 +1.9% ³ 	Slightly positive
OIBDA ²	Broadly stable to slightly positive	+8.2% yoy 1,085 1,173 H1 20 H1 21 +3.5% ⁴ 	Slightly positive
C/S	17-18%	13.6% 475 508 H1 20 H1 21 phasing	17-18%

Virtual AGM on 20 May – paid dividend of EUR 0.18/share

¹ Including regulatory & C-19 impacts

² Adjusted for exceptional effects

³ Excl. non-recurrent special factors

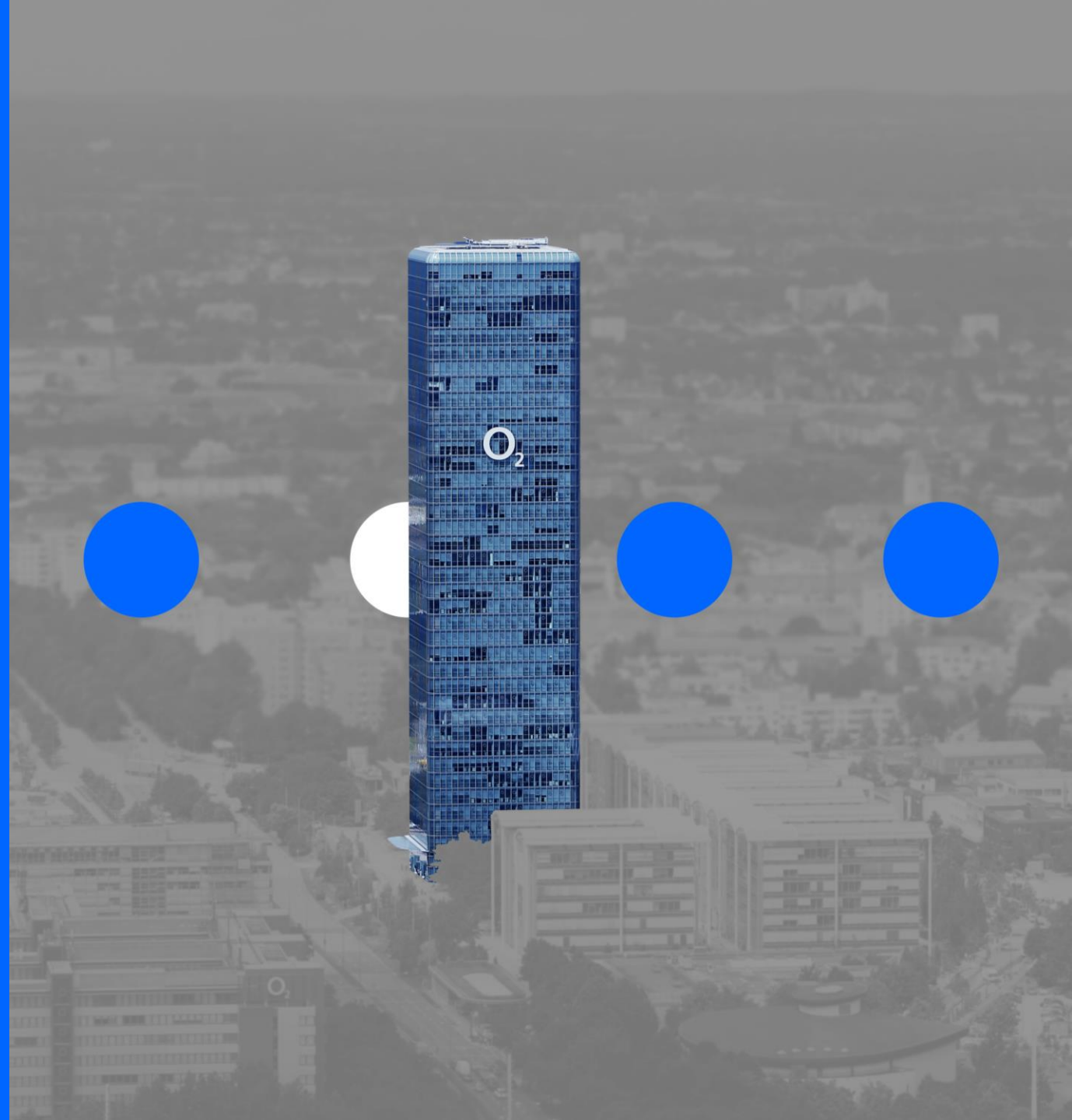
⁴ Excl. non-recurrent special factors & received social security payments

Financial Update

Markus Rolle

CFO

 @Markus Rolle

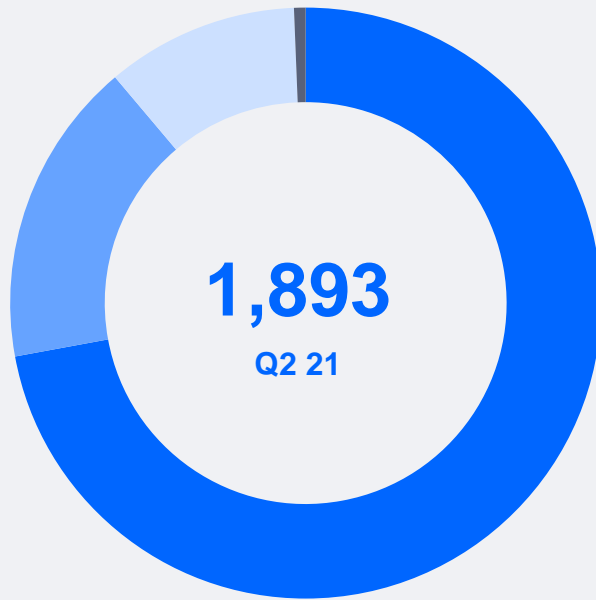


Strong operational and financial momentum with focus on profitable growth

Revenues (EURm)

+5.7%
yoy

+3.5%¹



■ MSR ■ Handset ■ Fixed ■ Other

¹ Excl. non-recurrent special factors

Accelerating MSR trends (EURm)

MSR
yoy

-3.3%

+0.0%

+1.3%

-0.3%

+4.3%¹

1,275

1,361

1,359

1,307

1,370

Q2 20

Q3 20

Q4 20

Q1 21

Q2 21

Handset
yoy

+14.4%

-2.1%

+4.4%

+2.3%

-1.2%

322

311

451

347

318

Q2 20

Q3 20

Q4 20

Q1 21

Q2 21

Fixed
yoy

+4.3%

+6.7%

+7.0%

+3.9%

+3.5%

193

198

202

200

200

Q2 20

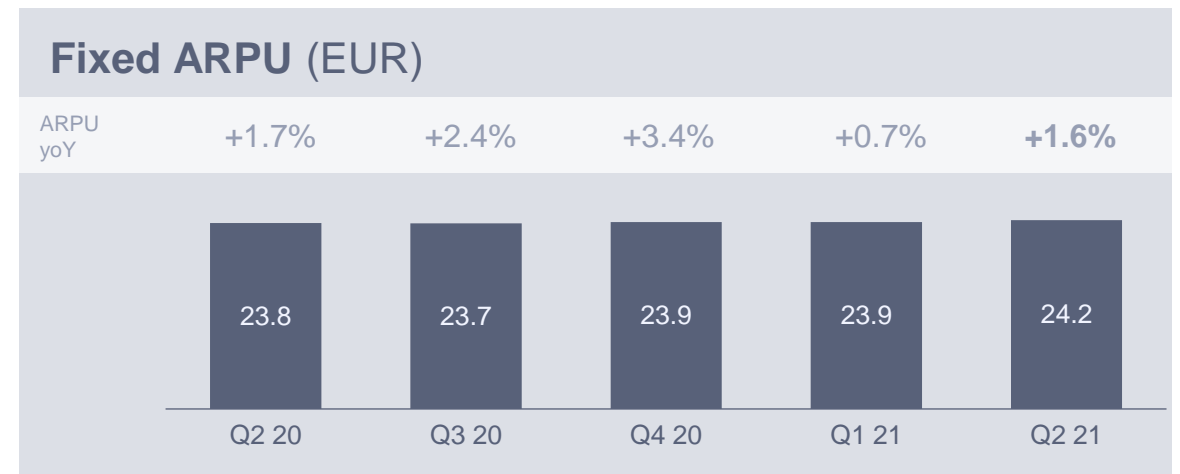
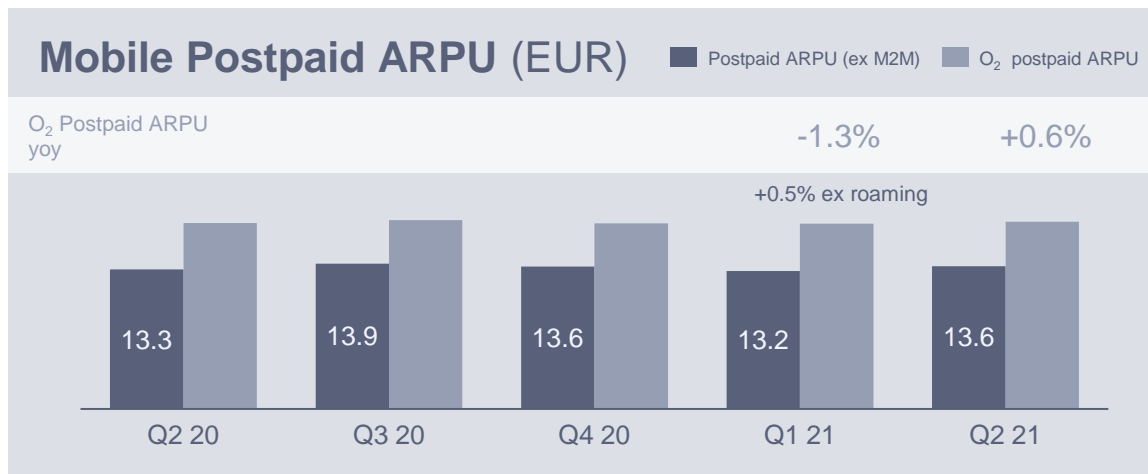
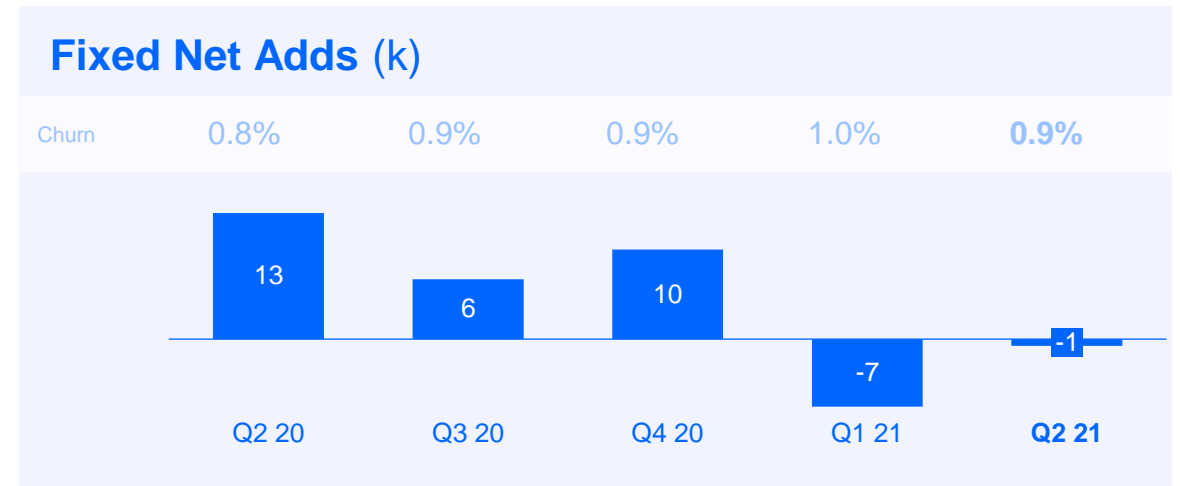
Q3 20

Q4 20

Q1 21

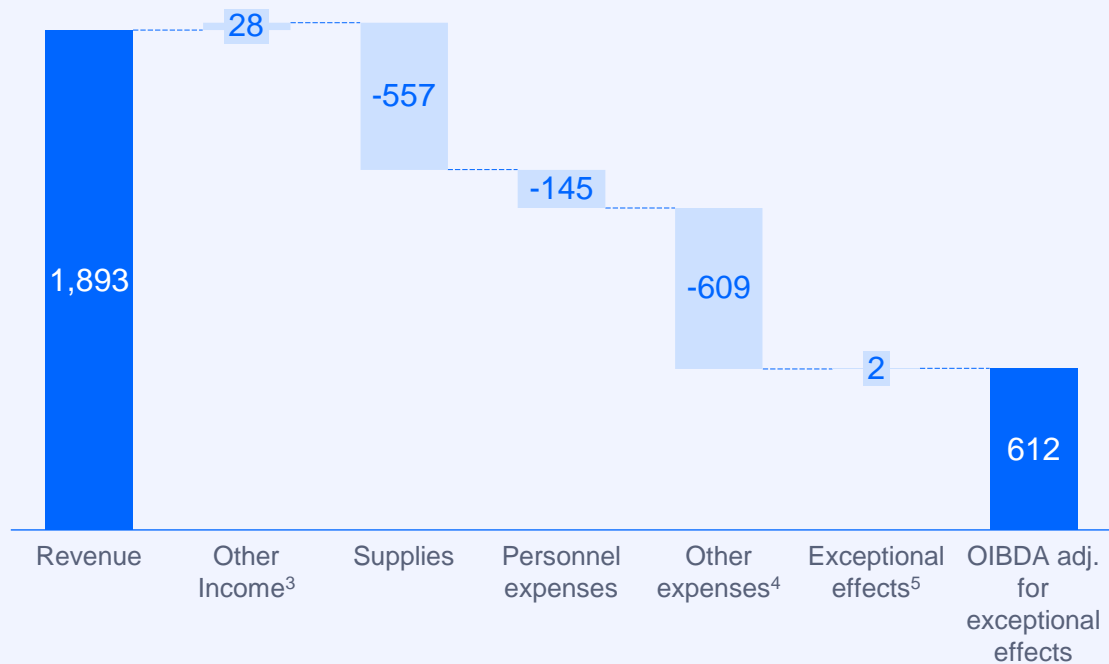
Q2 21

Excellent trading momentum supported by online channels



Strong OIBDA growth

Q2 2021 (EURm)



¹ Adjusted for exceptional effects

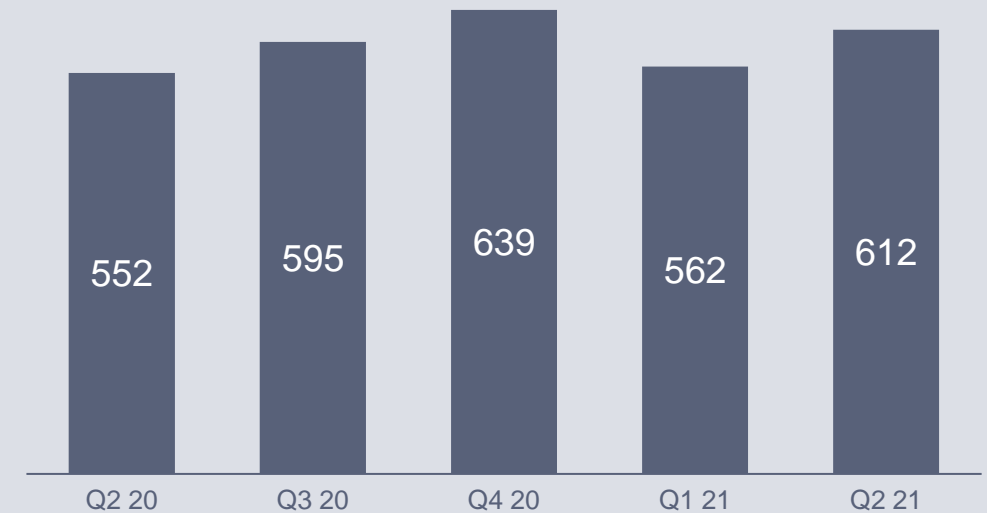
² Excl. non-recurrent special factors & received social security payments

³ Adjusted for capital gains/losses related with the sale of assets

⁴ Includes Group fees and impairment losses in accordance with IFRS9

⁵ Mainly restructuring expenses

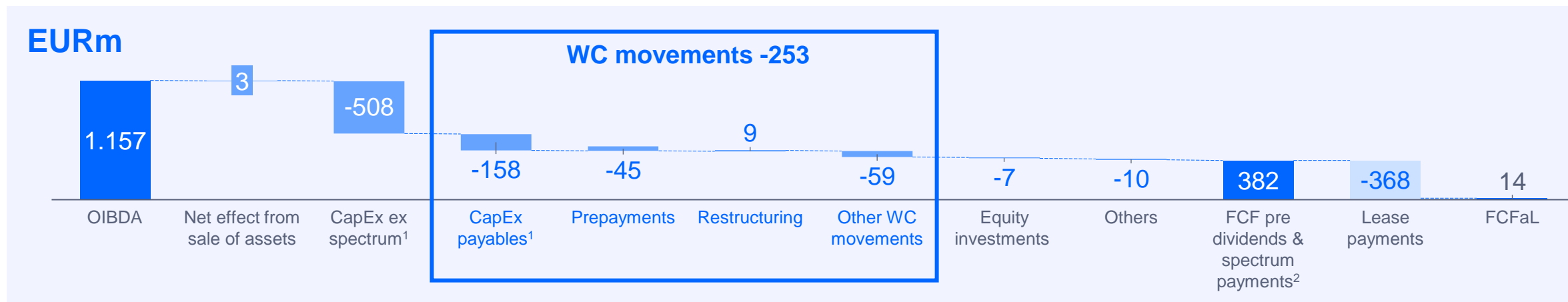
OIBDA¹ (EURm)



OIBDA yoy	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21
	-5.1%	+0.8%	+3.2%	+5.5%	+10.8% +3.6% ²

OIBDA margin	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21
	30.9%	31.8%	31.6%	30.3%	32.3%

FCF dynamics reflect usual seasonality with FCFaL already positive in H1 – underpinning solid financial position



¹ Excluding additions from capitalised right-of-use assets and investments in spectrum ² FCF pre dividends & spectrum payments is defined as the sum of cash flow from operating activities & cash flow from investing activities

³ Net financial debt includes current and non-current interest-bearing financial assets and interest-bearing liabilities as well as cash and cash equivalents and excludes payables for spectrum

⁴ Leverage ratio is defined as net financial debt divided by the OIBDA for the last twelve months adjusted for exceptional effects

Strong operational and financial momentum drives profitable growth – updating FY21 outlook to ‘slightly positive’ yoy growth

Excellent trading momentum

Q2 postpaid net additions more than doubling yoy

Accelerating revenue growth

Driven by sustained MSR and fixed revenue momentum

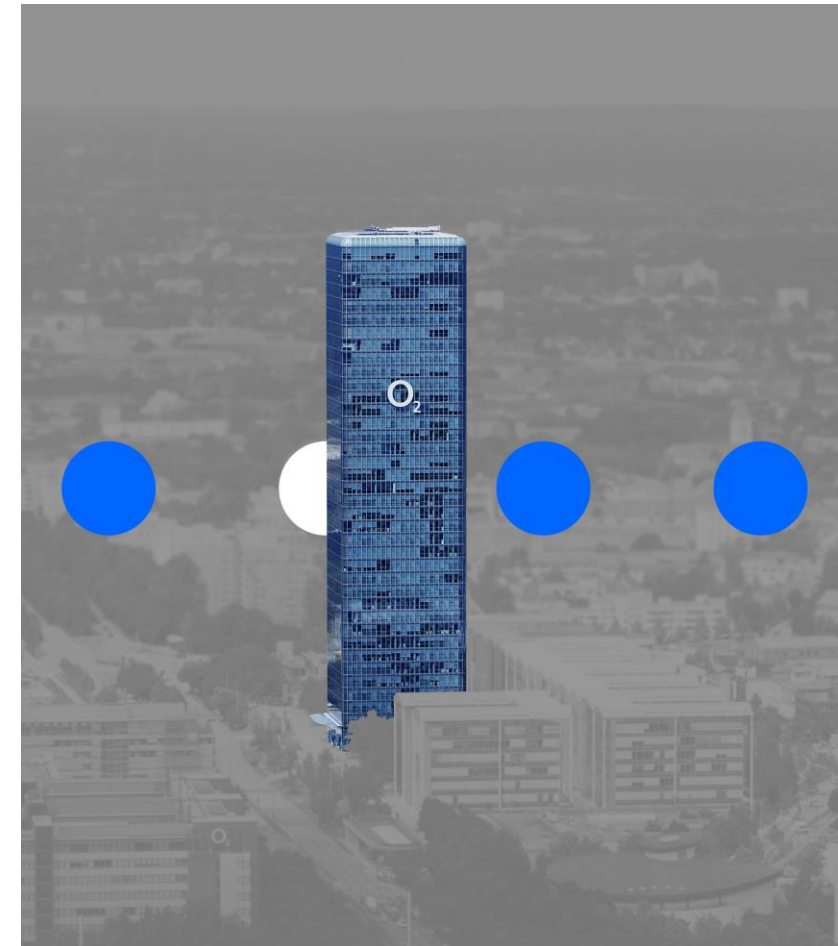
Strong OIBDA growth

Result of improved revenue quality and effective cost management

FCFaL with usual seasonality while already positive in H1

Solid B/S and strong liquidity position, leverage with comfortable headroom to BBB-rating

Updating FY21 revenue and OIBDA outlook to ‘slightly positive’ yoy growth



Telefónica Deutschland Management Q&A



Markus Haas

CEO

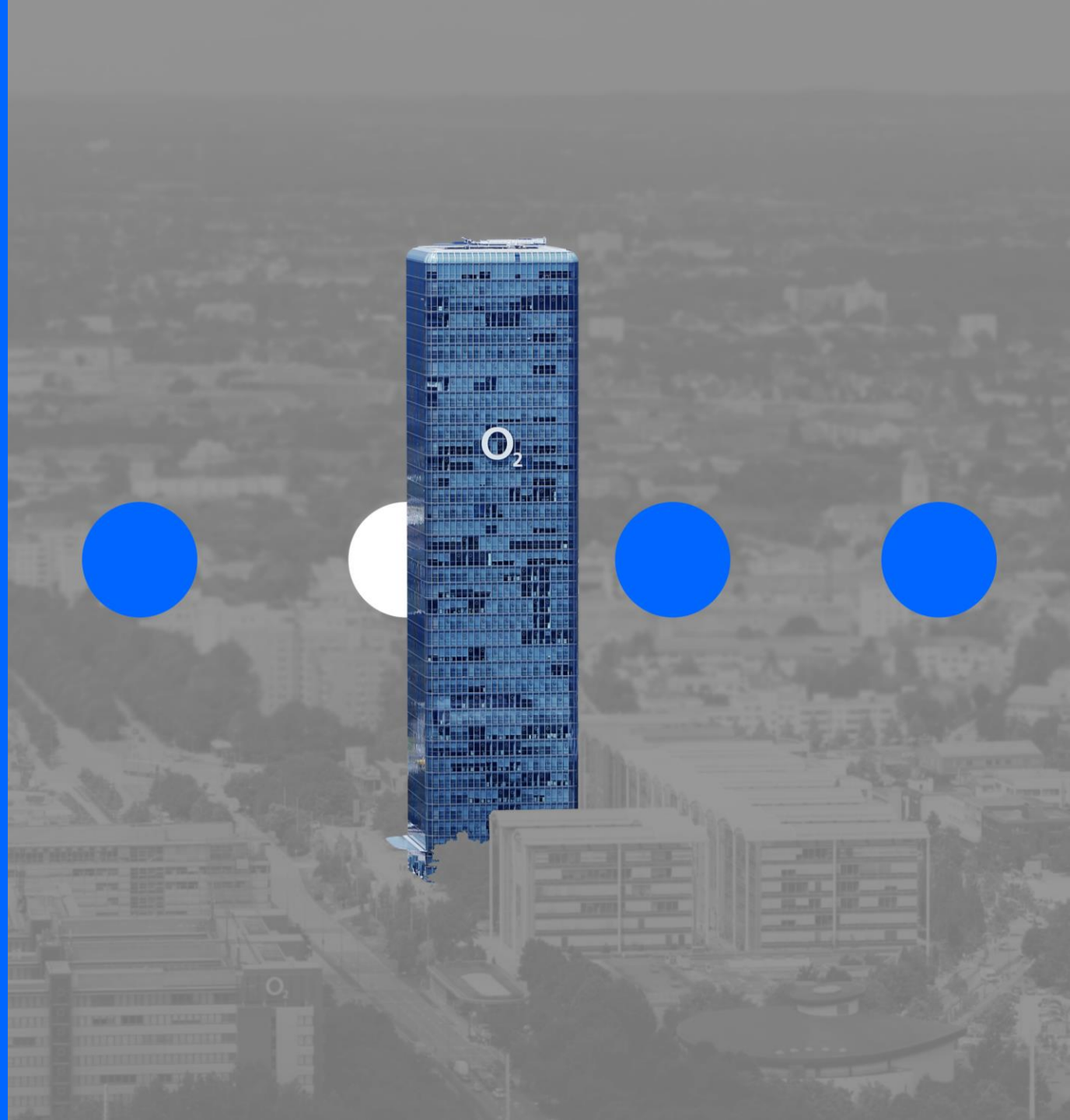
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Questions?

We look forward
hearing from you



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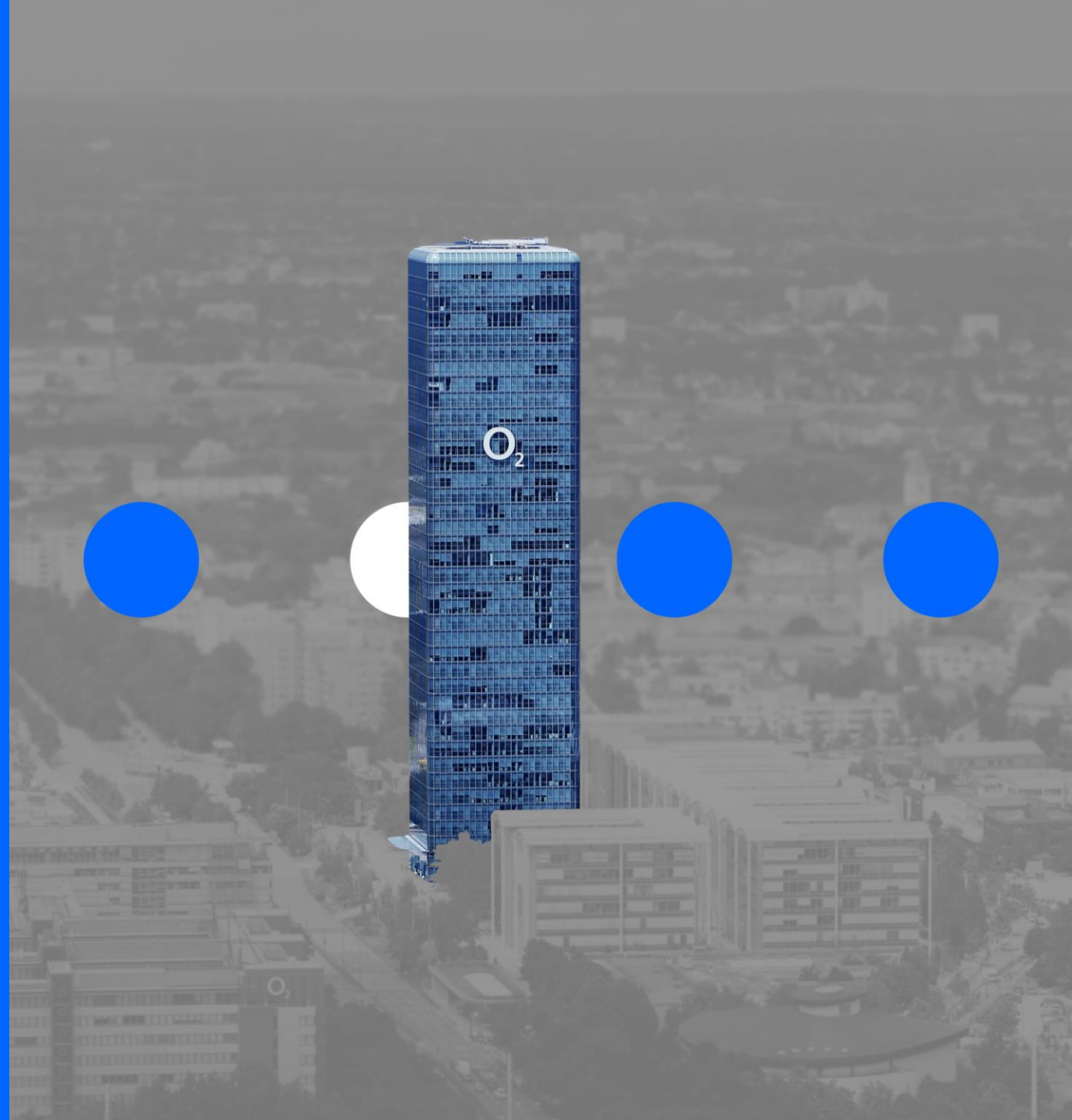
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