Telefónica Deutschland

Interim statement Q1 results

12 May 2021

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Solid start into the year with good operational & financial performance

Confirming FY21 outlook

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

Q1 21

Revenue YoY	OIBDA[1] YoY	Capex/Sales
+0.2%	**+5.5%**	**12.3%**
+1.5%[2]	+6.4%[2]	

Net Adds[3]	Churn[4]	O_2 ARPU[5]
>220k	1.0%	+0.5%

connect SEHR GUT MOBILFUNK-NETZTEST O_2 Heft 1/2021

connect Kategorie: durchschnittliche Ansprüche TESTSIEGER BREITBAND-CHECK O_2 Heft 3/2021

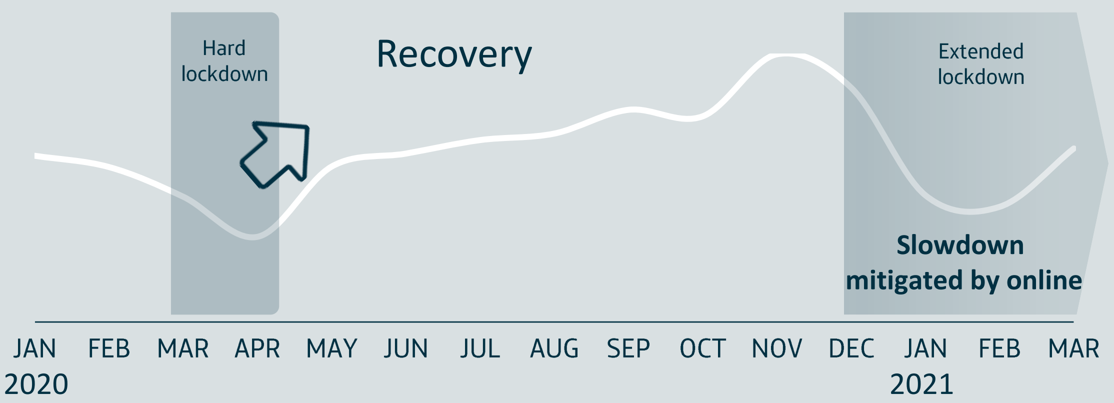
2021 STEVIE BRONZE WINNER GERMAN STEVIE AWARDS

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

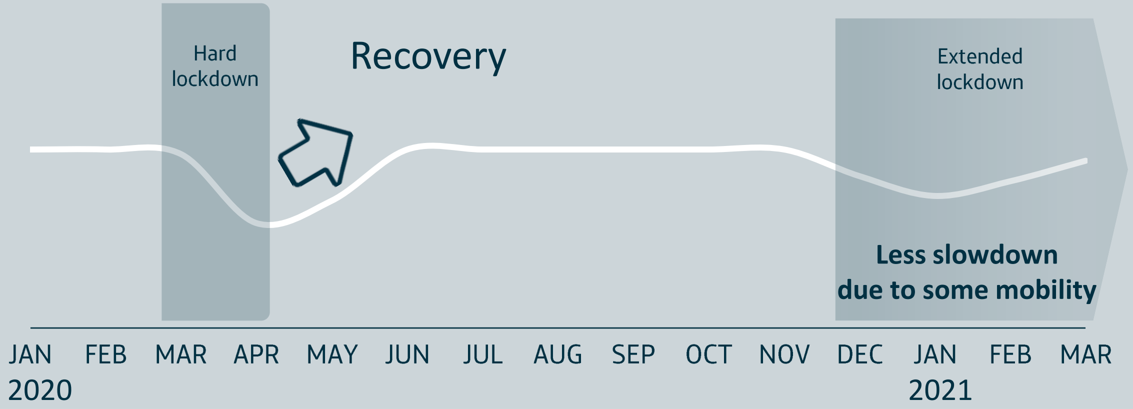
[1] Adjusted for exceptional effects [2] Excl. Covid-19 impacts [3] Excl. 42k M2M [4] O_2 Postpaid [5] O_2 postpaid excl. roaming

Resilient business model in full quarter of lockdown

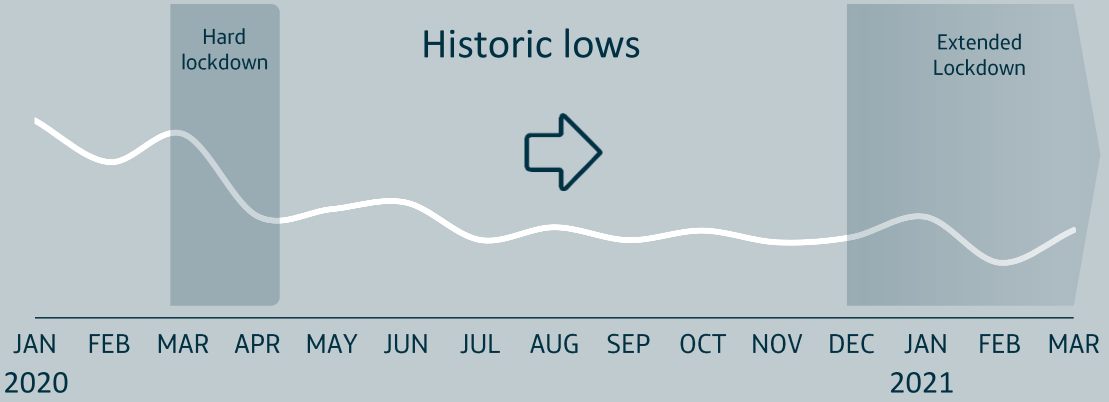
O_2 GROSS ADDS



PREPAID TOP UP BOOKINGS



O_2 CHURN



INT'L ROAMING REVENUE (OUTBOUND)

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ESG at the heart of TEF D's strategy throughout the pandemic

Launch of Responsible Business Plan 2025 – Digital. Sustainable. Connected.

ESG strategy fully integrated in overall business strategy

- ✓ RBP goal: Creation of sustainable value and minimisation of risks
- ✓ RBP 2020: Achieved key targets
- ✓ RBP 2025: Ambitious future targets incl. climate protection strategy

2004 → **2021**

2004	ISO 14001 certification
2005	CR-Report
2012	Launch corporate accelerator *Wayra*
2012	Launch Eco Index
2015	ISO 50001 certification
2016 - 2020	RBP
2019	Sustainability linked loan
2020	ESG DAX50
2020	Climate protection strategy 2025
2021 - 2025	RBP

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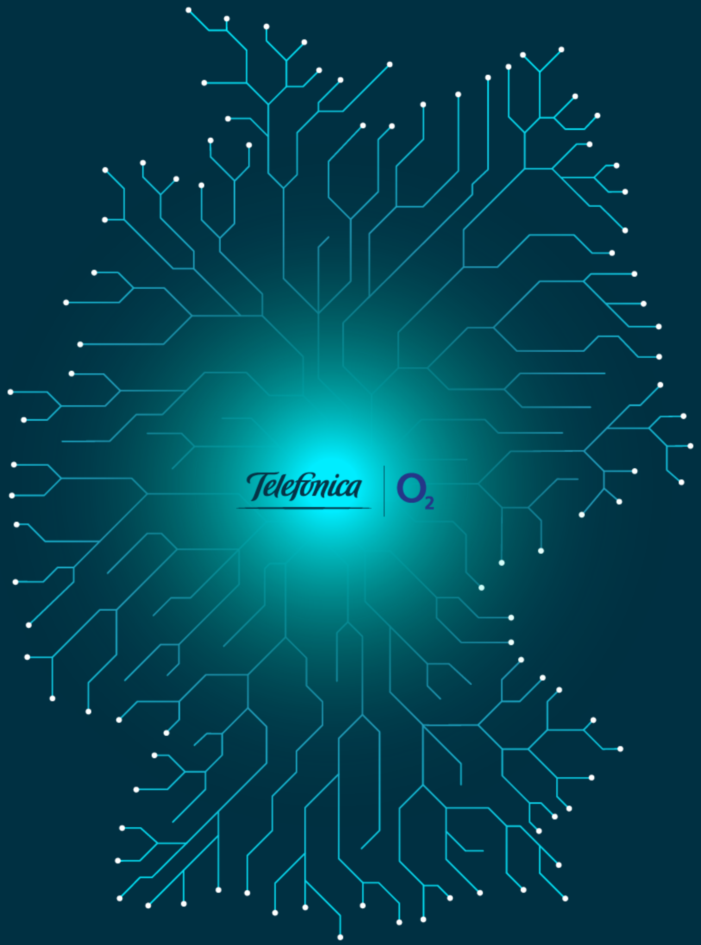
Rapid 5G expansion



- 5G in >30 cities
- ~1k 5G SA sites
- 5G cloud core for campus networks

YE24: ~35k network grid

YE21: >30% coverage YE22: 50% coverage YE25: nationwide coverage

Confirming FY21 outlook – building on operational & financial momentum
Supported by network equalisation and historic low churn

	FY21 outlook[1]	Actuals Q1 21 y-o-y	Q1 20	Q1 21		
Revenues	**Flat to slightly positive**	**+0.2%**	1,846	1,850	✓	**+1.5%[3]**
OIBDA[2]	**Broadly stable to slightly positive**	**+5.5%**	532	562	✓	**+6.4%[3]**
C/S	**17-18%**	**C/S 12.3%**	224	228	phasing	

Virtual AGM on 20 May – dividend proposal EUR 0.18/share

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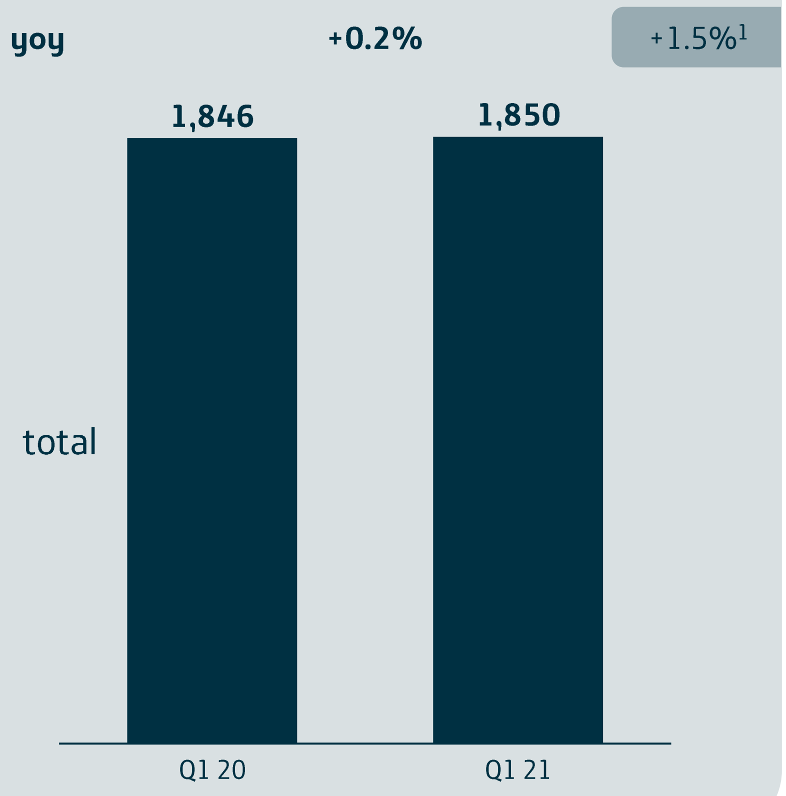
[1] Including regulatory & C-19 impacts assuming hard lock-down until 7 Mar-21 and only gradual recovery of roaming over the course of the year [2] Adjusted for exceptional effects [3] Excl. Covid-19 impacts

Financial
Update

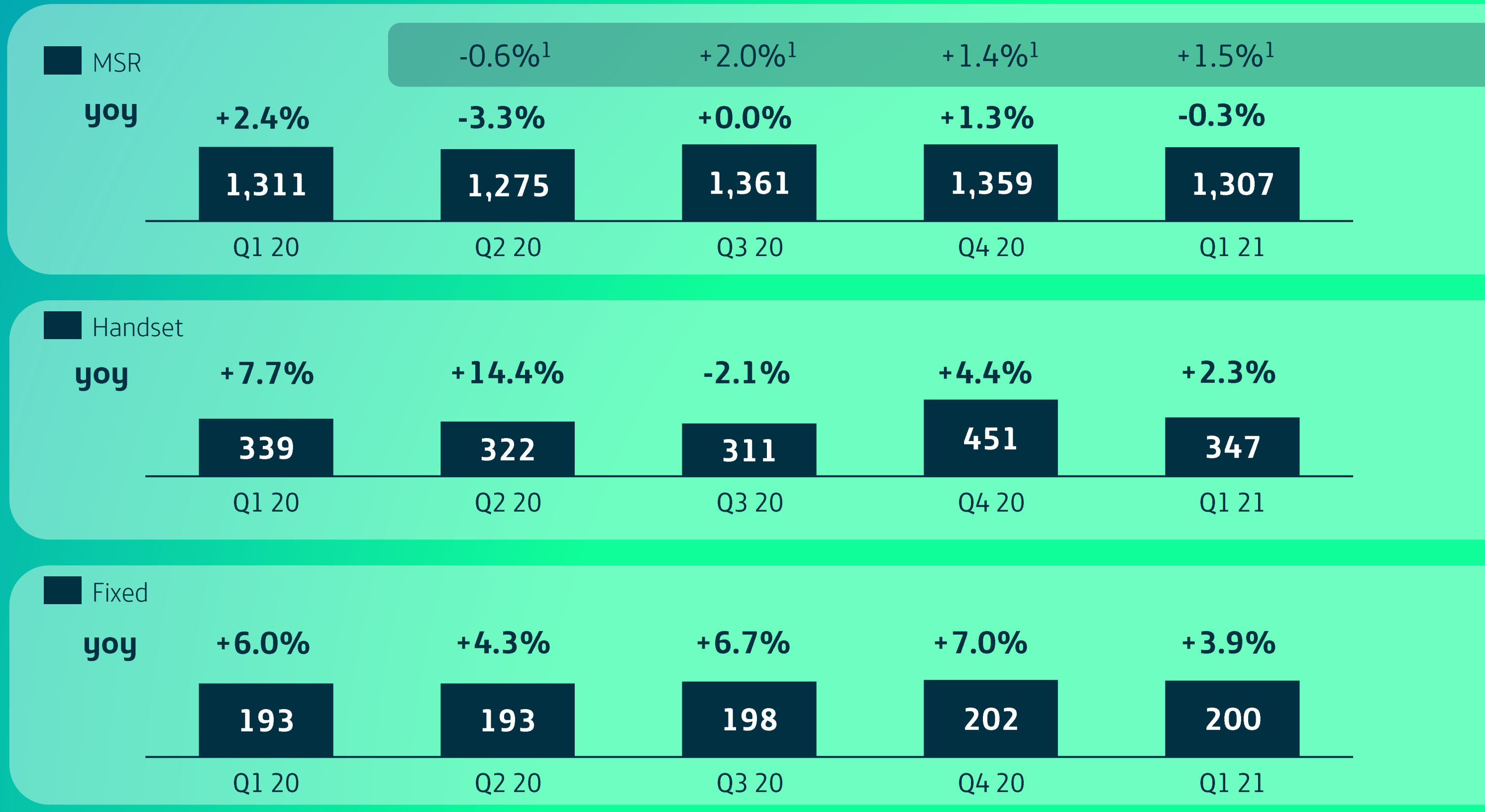
Markus Rolle
CFO

Operational trends in-tact across all revenue lines

Revenues (EURm)



Sustained revenue trends (EURm)



[1] Excl. Covid-19 impacts

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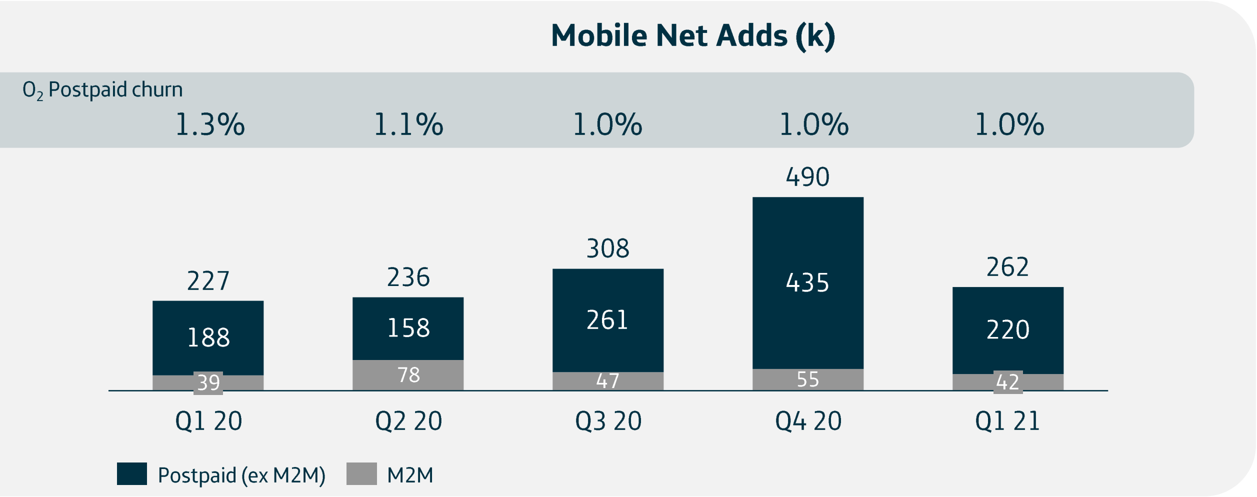
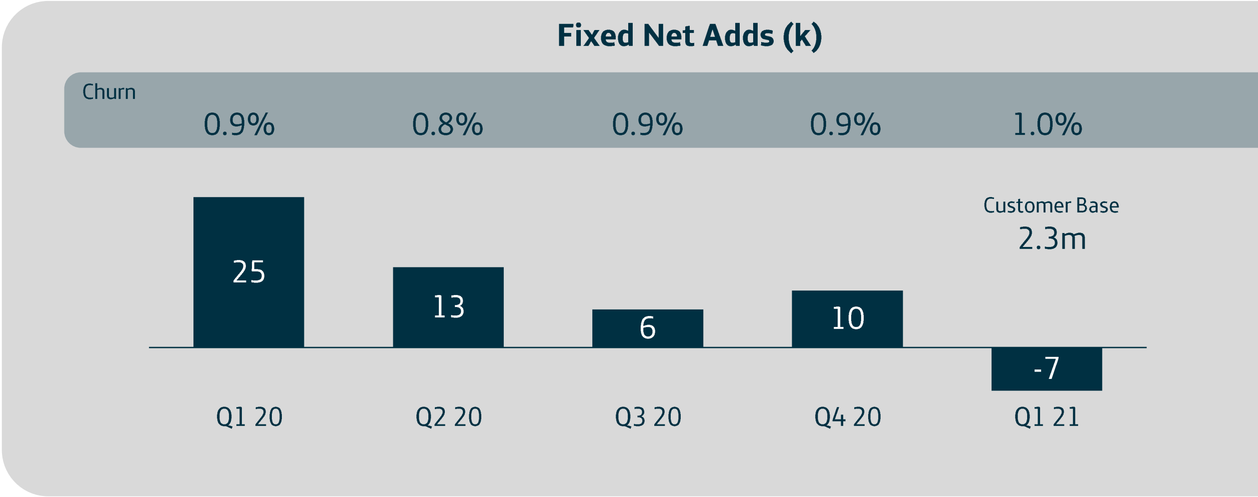
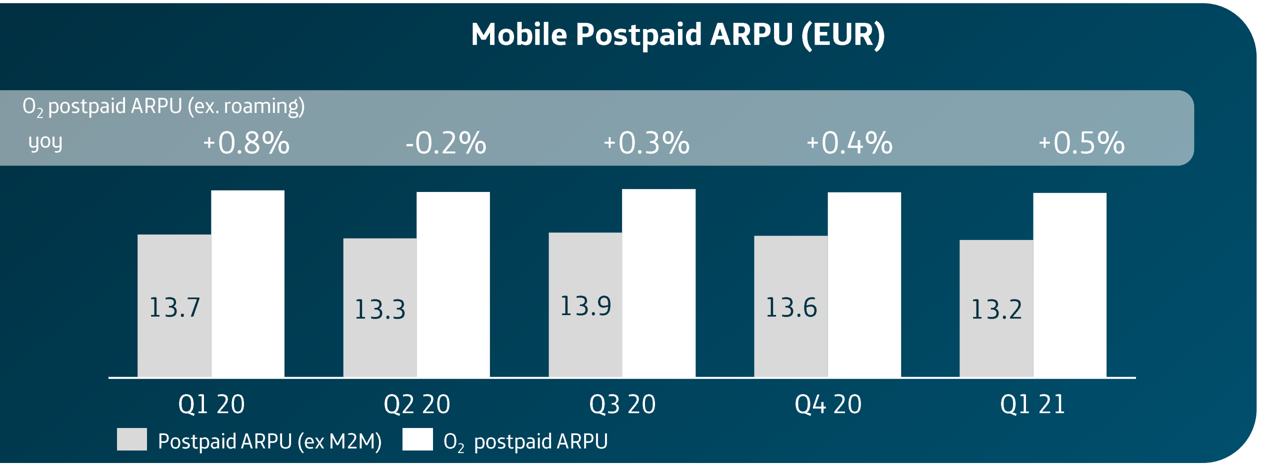
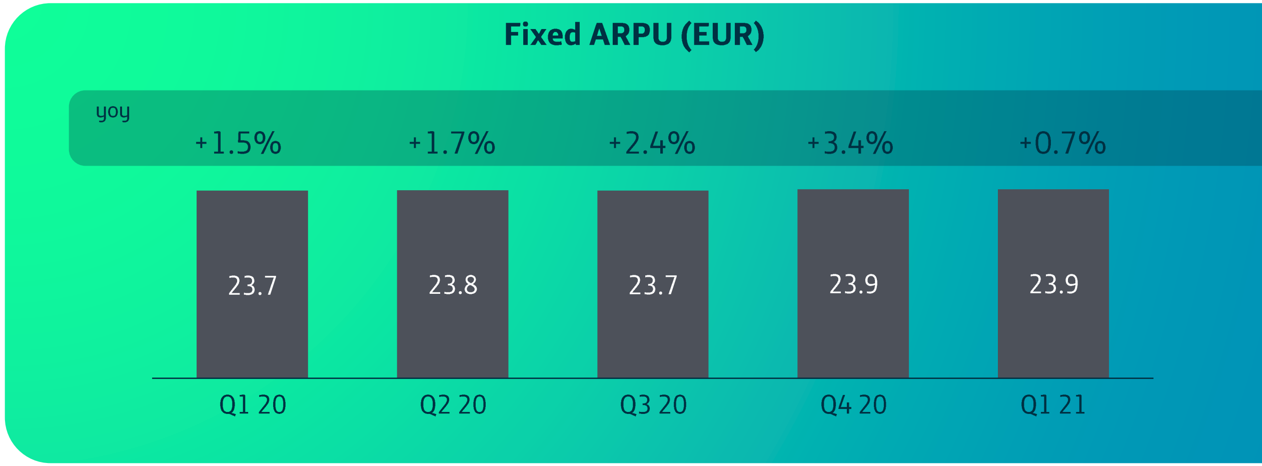
Continued own brand momentum supported by online channels









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Strong OIBDA growth

Improved revenue quality & effective C-19 cost management

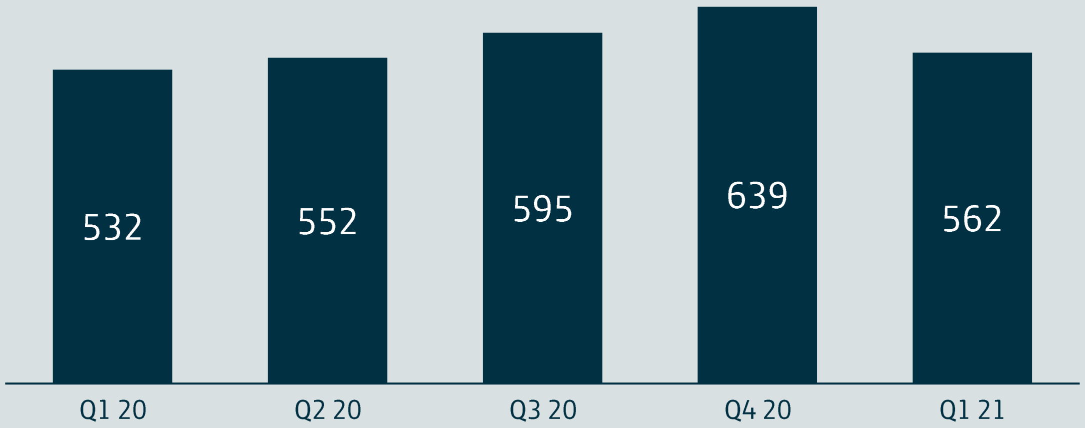
Q1 21
(EURm)

OIBDA yoy	OBIDA margin
+5.5%[1]	30.3%[1] / +1.5 p.p.
+6.4%[1,2]	30.2%[1,2]/ +1.4 p.p.

OIBDA[1]
(EURm)

OIBDA yoy

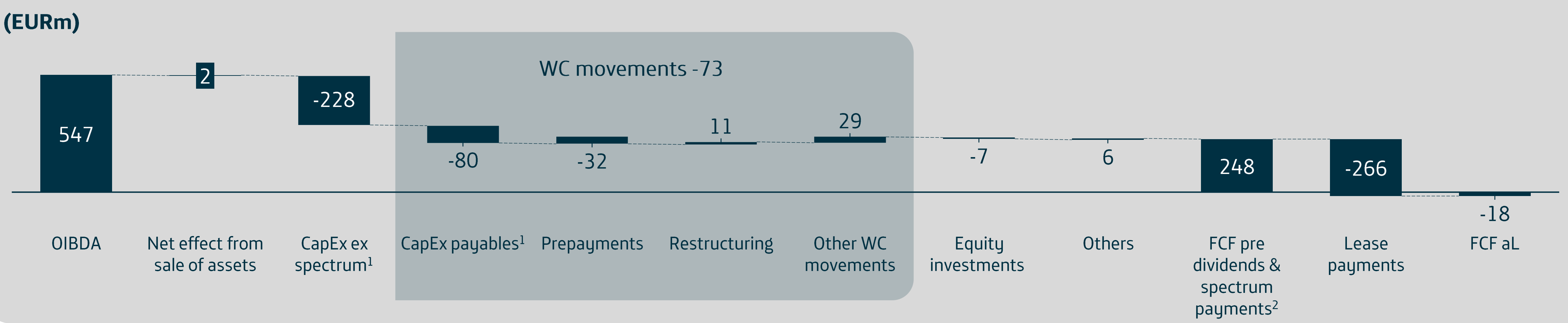
Q1 20	Q2 20	Q3 20	Q4 20	Q1 21
+1.6%[1]	-5.1%[1]	+0.8%[1]	+3.2%[1]	+5.5%[1]
	+2.3%[1,2]	+4.8%[1,2]	+5.0%[1,2]	+6.4%[1,2]

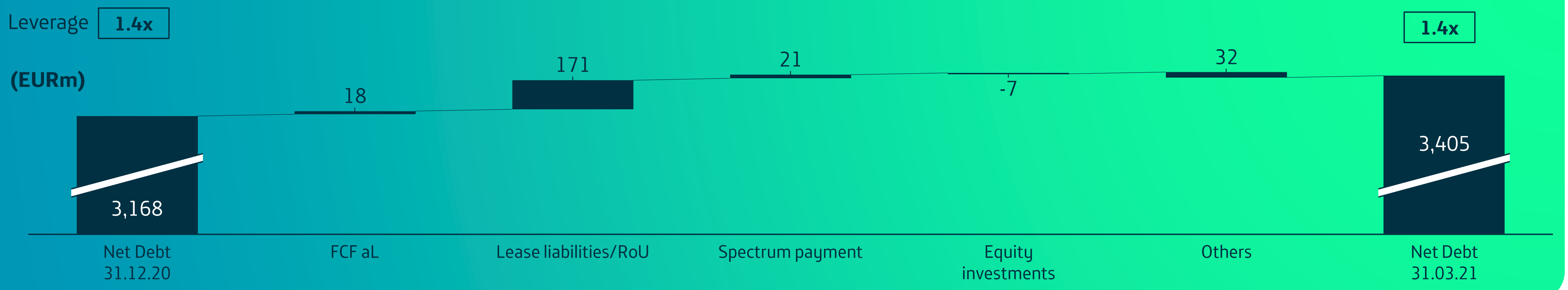


[1] Adjusted for exceptional effects
[2] Excl. Covid-19 impacts
[3] Adjusted for capital gains/losses related with the sale of assets
[4] Includes exceptional effects, Group fees and impairment losses in accordance with IFRS 9
[5] Mainly restructuring expenses

Q1 Free Cash Flow dynamics reflect usual seasonality

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

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Solid start into the year with good operational & financial performance

Confirming FY21 outlook

Good Q1 operational & financial performance
Full quarter of hard lockdown weighs on physicals & roaming with some offsetting OIBDA factors

Operational trends in-tact across all revenue lines
Continued core business momentum

Strong OIBDA growth
Supported by revenue mix & effective C-19 cost management

FCFaL dynamics with usual seasonality
Leverage with comfortable headroom to BBB-rating

Solid B/S, strong liquidity position and ability to generate FCF growth
Dividend proposal of EURc 18 per share for FY20 to AGM on 20 May

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Management Q&A

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Any questions?

We look forward to hearing from you!

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