

Interim results Q3 2022

3 November 2022



Markus Haas
CEO



Markus Rolle
CFO

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.

Interim results

Strategic Update



Markus Haas
CEO

Focused strategy execution results in FY22 outlook upgrade

Increasing MSR market share to >32%

Strategy Execution



Mobile Growth

Gaining MSR market share



B2B Attack

Driving client momentum in SME



Smart Bundling

Increasing household penetration & convergence



ESG leadership

Executing ambitious Responsible Business Plan 2025

MSR Market Share¹

>32%

9M 22 MSR

+3.1% yoy

¹ Market share of MSR based on published MNO financials for H1 2022

Achieved strong 9M 22 results – continued profitable growth

Sustained commercial traction & financial performance

Customers

+965k

Postpaid Net Adds

1.1%

O₂ Postpaid Churn

Strong NPS

O₂ Brand



Financials

+5.7%

Revenues

+4.8%

OIBDA¹

14.9%

C/S

¹ Adjusted for exceptional effects

Capturing future growth opportunities supported by more-for-more offers

First initiatives – O₂ Grow tariff & 1 Gbit/s cable offer

O₂ can do

Leverage O₂ brand & enhanced 5G network across entire sales funnel



Brand Awareness
Game Changer



Product Awareness
5G Network



Trade
5G Hardware



Growth

Drive **profitable** growth through more-for-more strategy

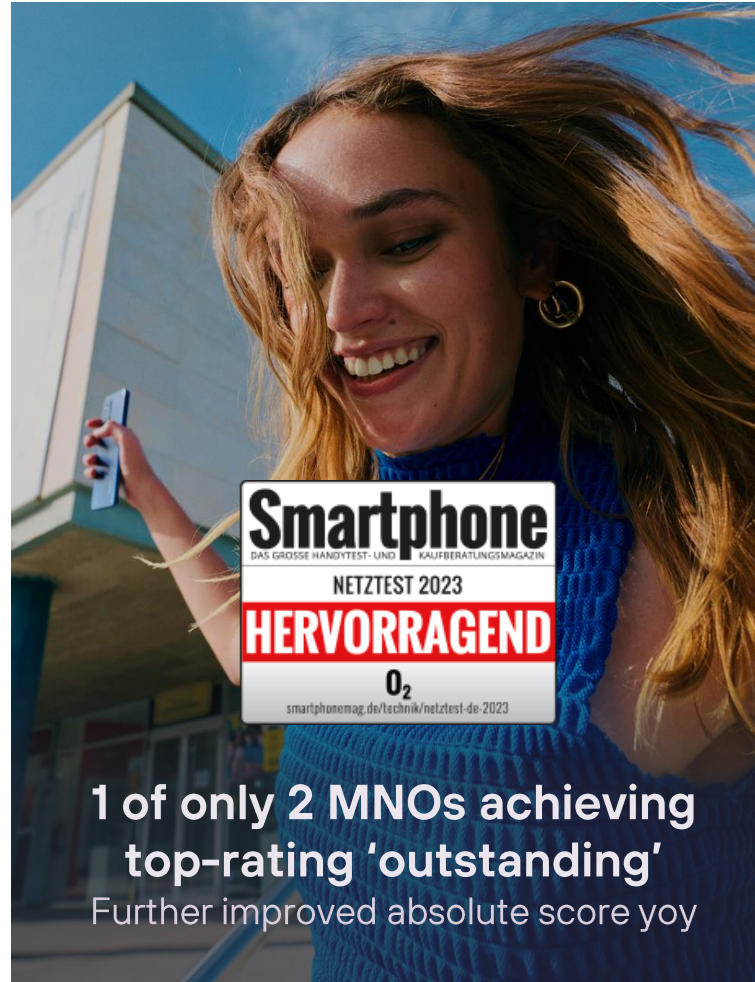
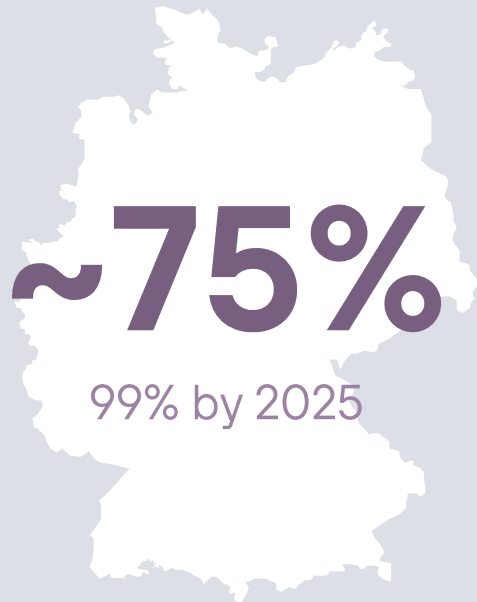
O₂ Grow
40GB+

O₂ my
Home XXL
1 Gbit/s

'Outstanding' network rating on the back of excellent network expansion

5G pop coverage of ~75% achieved within unchanged Capex envelope

5G coverage



3-year energy savings programme

~20%
gross energy savings¹
by FY26

AI-supported network standby
Network modernisation
Cloudification

¹ compared to FY21

Leveraging leading ESG position for a sustainable future

Focused execution of Responsible Business Plan 2025

Responsible Business Plan 2025

Shaping
sustainable digitalisation
and transformation
of future economy
and society



Achievements

Signing of long-term PPA
Direct sourcing of green energy

Support for Ukraine
Donation of network equipment

Social programmes
Digital guide for kids

Upgrading FY22 Outlook

Supported by strong 9M 22 results

H1 updated FY22 Outlook

Low single digit % growth

incl. regulatory headwinds of 70-80 EURm

Low to low mid-single digit % growth w/ margin expansion

incl. regulatory headwinds of 15-20 EURm

14 – 15%

Revenues

OIBDA¹

C/S

Upgraded FY22 Outlook

Low mid-single digit % growth

incl. regulatory headwinds of 70-80 EURm

Low mid-single digit % growth w/ margin expansion

incl. regulatory headwinds of 15-20 EURm

14 – 15%

¹ Adjusted for exceptional effects

Interim results

Financial Update



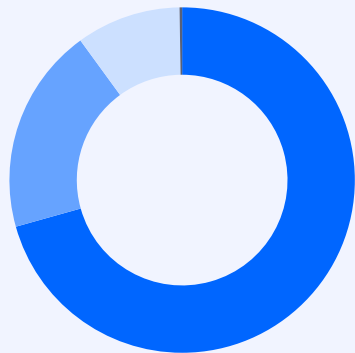
Markus Rolle
CFO

Strong revenue growth

Ongoing MSR momentum driven by core business

Q3 22 Revenues

+6.0%
2,085 EURm



● MSR ● Handsets ● Fixed ● Other



Growth

+3.7%
MSR

+18.9%
Handsets

+1.6%
Retail FBB

Sustained commercial traction

O₂ brand as key driver

Mobile

+304k

Postpaid Net Adds

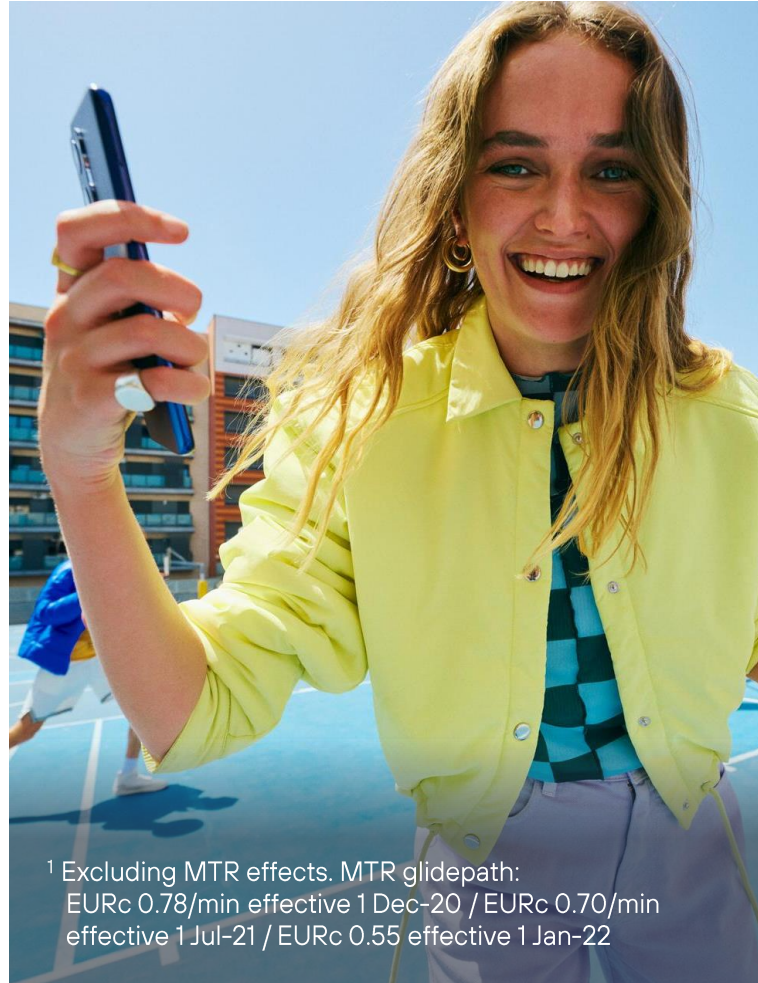
1.2%

O₂ Postpaid Churn

-1.3% yoy

O₂ Postpaid ARPU

Underlying¹ ARPU -0.7% yoy



¹ Excluding MTR effects. MTR glidepath:
EURc 0.78/min effective 1 Dec-20 / EURc 0.70/min
effective 1 Jul-21 / EURc 0.55 effective 1 Jan-22

Fixed

+19k

Fixed Net Adds

1.1%

Fixed Churn

+3.3% yoy

Fixed ARPU

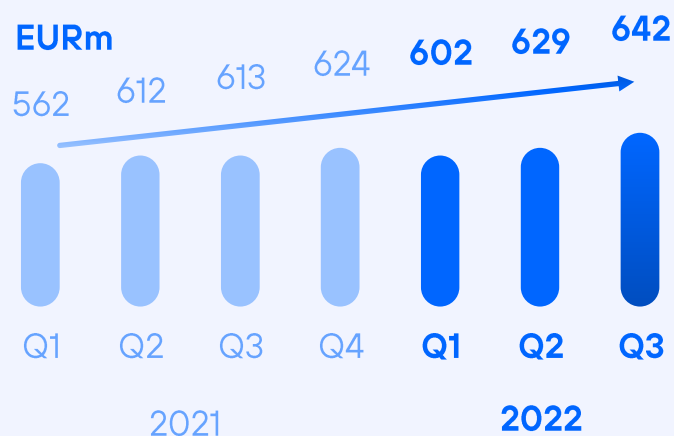
MSR & efficiency gains driving steady OIBDA growth

Improved Free Cashflow following usual back-end loaded seasonality

Q3 22 OIBDA¹

+4.7%
yoy

30.8%
Margin



¹ Adjusted for exceptional effects

² FCF pre dividends & spectrum payments is defined as the sum of cash flow from operating activities & cash flow from investing activities

Free Cashflow

1,867 EURm
OIBDA YTD

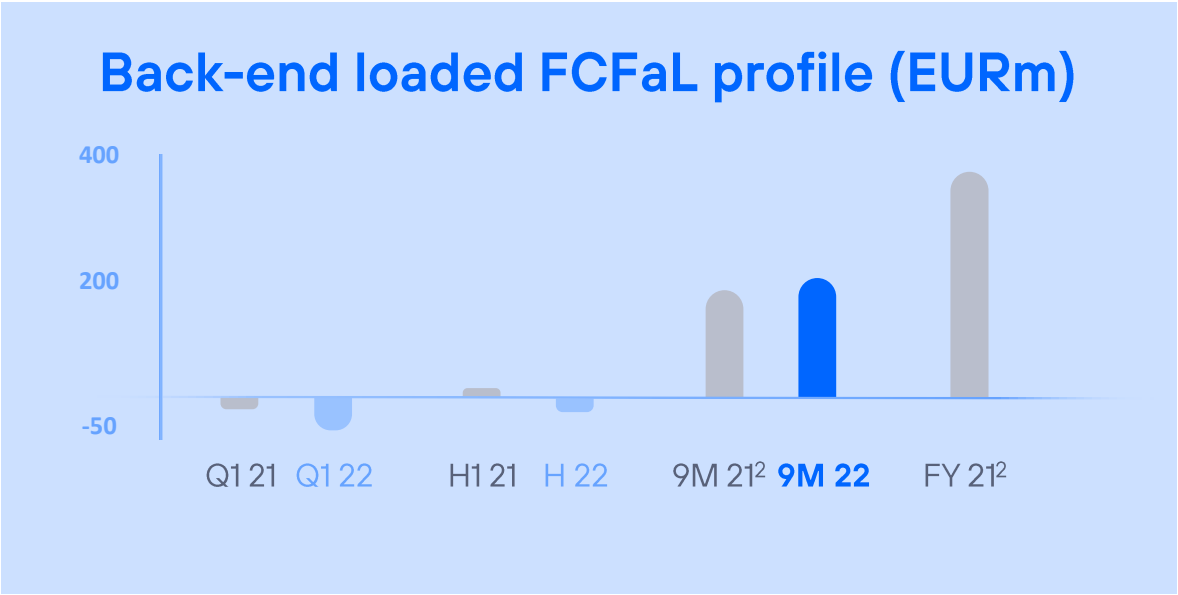
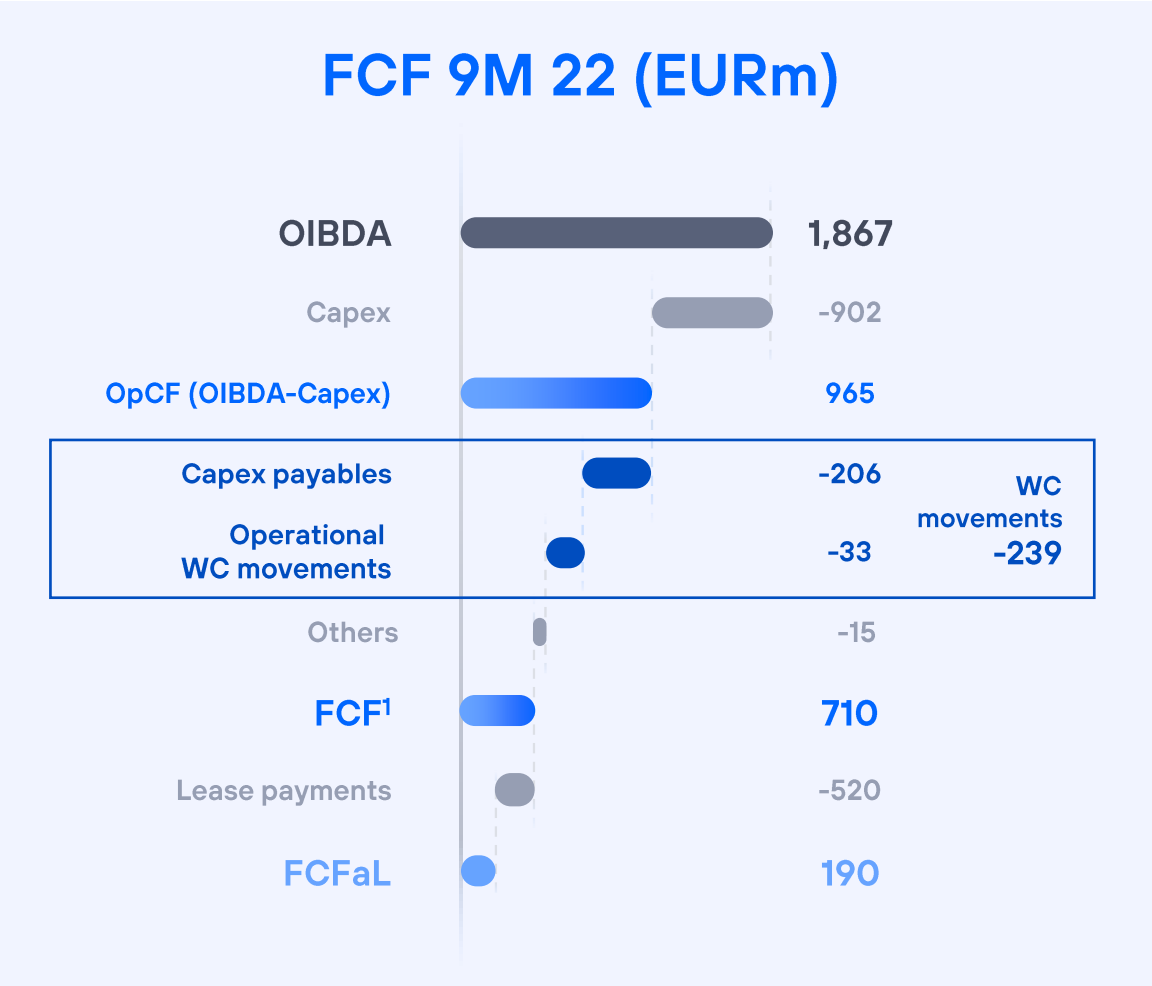
902 EURm
CAPEX YTD

710 EURm
FCF² YTD

190 EURm
FCFaL YTD

Healthy FCF generation during investment phase w/ strong balance sheet

FCFaL positive with back-end loaded profile



¹FCF pre dividends & spectrum payments is defined as the sum of cash flow from operating activities & cash flow from investing activities
² Excluding proceeds from the sale of assets, mainly the spin-off & sale of the final tranche of ~4k mobile sites passive infrastructure

FY22 outlook upgrade on back of strong 9M 22 results

Key take-aways

~75% 5G pop coverage

Faster network rollout through increased efficiencies



Delivering on ESG commitments

Promoting a sustainable digital future

Growing OIBDA operational leverage & efficiency gains

Well on track for strong FCF generation



Upgrading FY22 revenue & OIBDA outlook

Supported by strong 9M 22 results

Continuing revenue growth path

Sustained MSR momentum on core business strength

Thank You Management Q&A



Markus Haas
CEO



Markus Rolle
CFO

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

Telefónica Deutschland
●●●