Telefónica Deutschland

Interim results
Q1 23

10 May 2023

Markus Haas
CEO

Markus Rolle
CFO

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Strategic Update

Markus Haas

CEO

Telefónica Deutschland

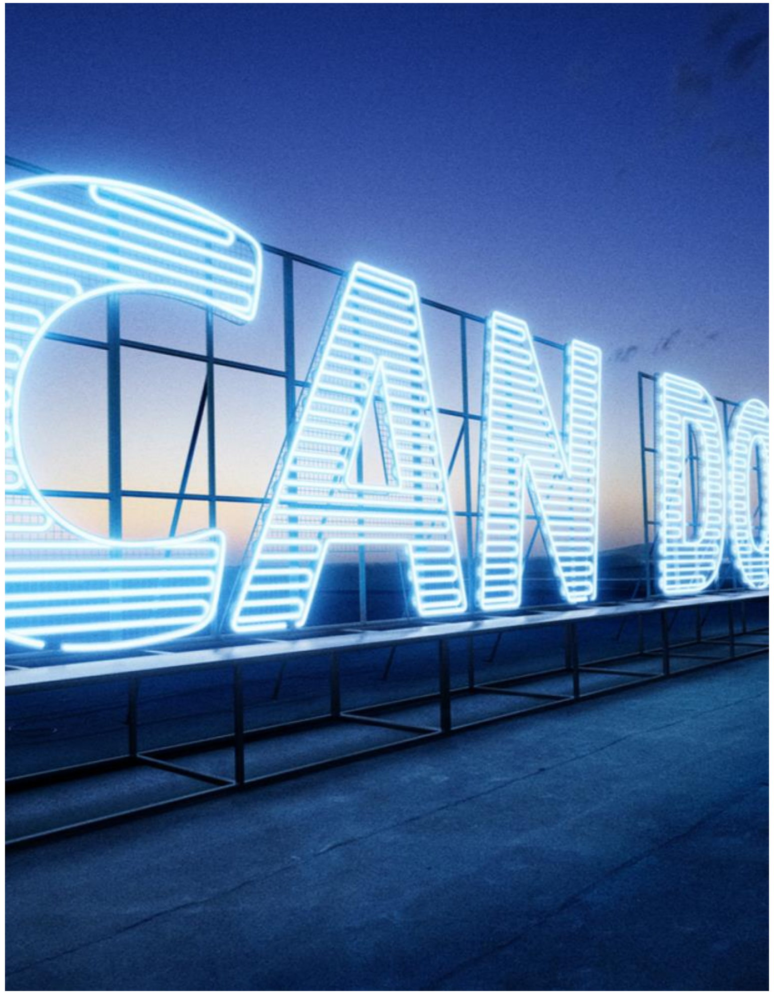
Building the best Telefónica Deutschland
Outperform German mobile market & expand ESG leadership

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%
OIBDA[1]

11.7%
Capex/Sales

[1] Adjusted for exceptional effects

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

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

Confirming FY23 outlook
Well on track on the back of strong Q1 23 delivery

Q1 23 Actuals			FY23 Outlook
2,101 EURm	+8.0% yoy	Revenues	**Low single digit % growth** incl. regulatory headwinds of 50-60 EURm
612 EURm	+1.7% yoy	OIBDA[1]	**Low single digit % growth** incl. regulatory headwinds of 10-15 EURm
	11.7%	C/S	~14%

[1] Adjusted for exceptional effects

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

Interim results Q1 23

Financial Update

Markus Rolle

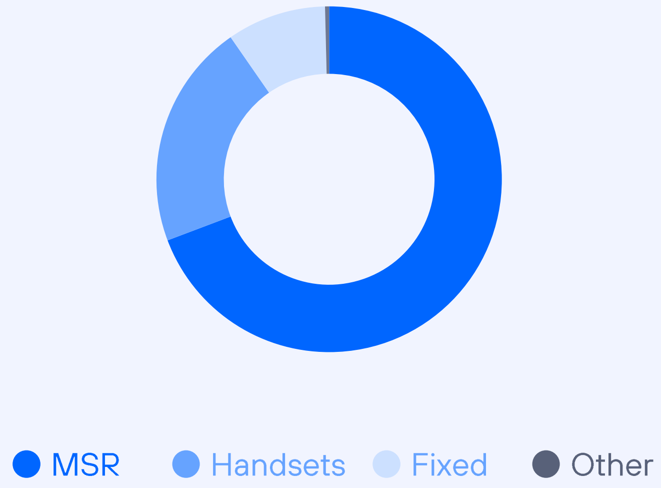
CFO

Telefónica Deutschland

Strong revenue growth
Driven by sustained MSR momentum & record handset sales

Q1 23 Revenues

+8.0%
2,101 EURm



Q1 23 Growth

+4.2%
MSR

+23.6%
Handsets

+4.3%
Retail FBB

Continued commercial momentum with return to low churn levels
Strong O_2 tariff portfolio & brand appeal

Q1 23 Mobile

+368k
Postpaid Net Adds

1.0%
O_2 Postpaid Churn

+0.5% yoy
O_2 Postpaid ARPU

Q1 23 Fixed

+25k
Fixed Net Adds

0.9%
Fixed Churn

+5.5% yoy
Fixed ARPU

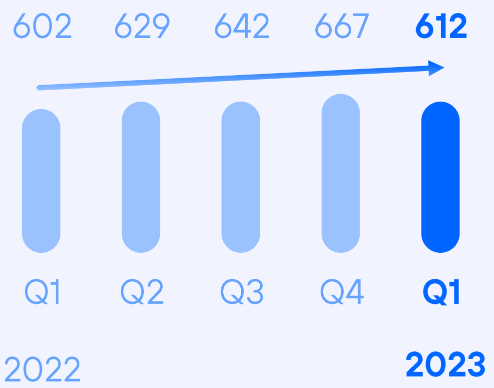
Solid OIBDA growth supported by enhanced MSR quality
Free Cashflow with usual back-end loaded profile

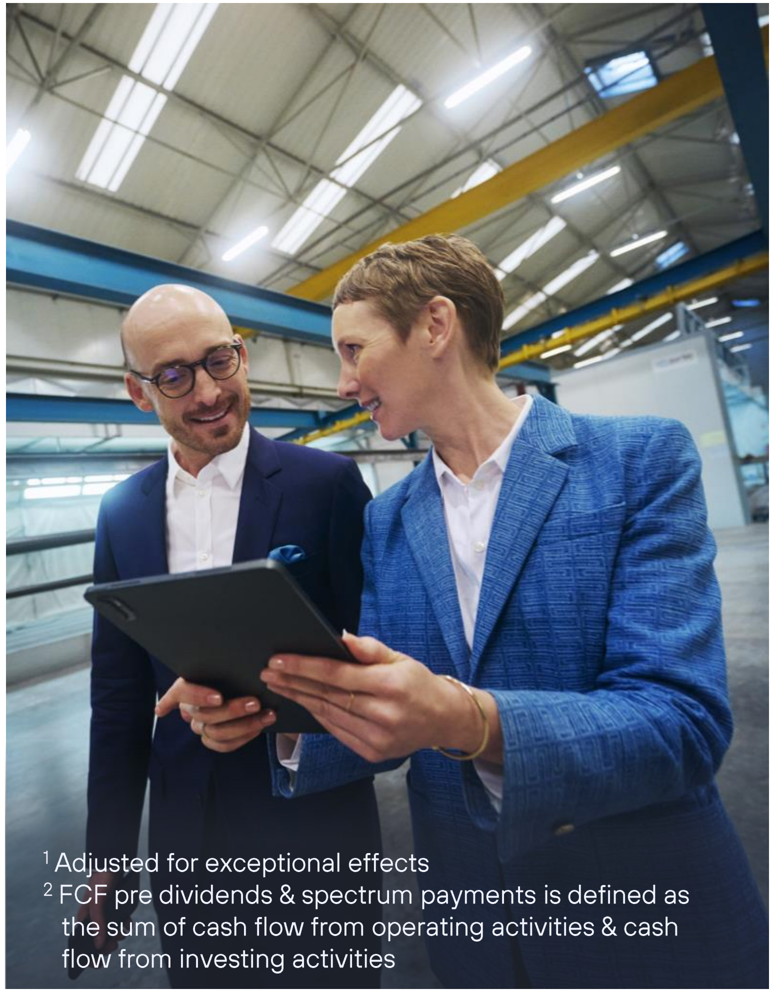
Q1 23 OIBDA[1]

+1.7%
yoy

29.1%
Margin

EURm





[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

YTD Free Cashflow

611 EURm
OIBDA

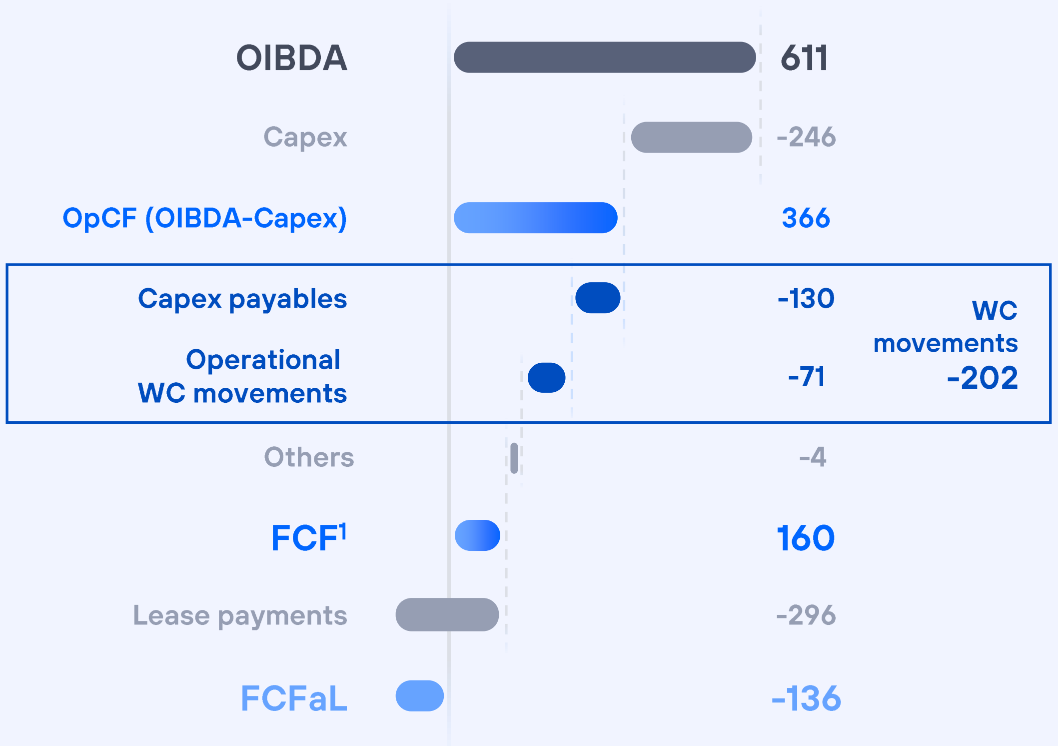
246 EURm
CAPEX

160 EURm
FCF[2]

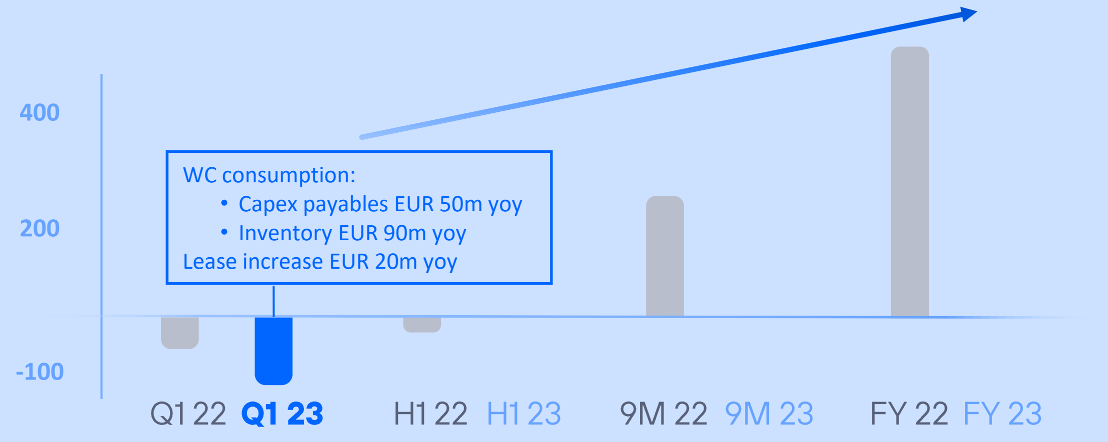
-136 EURm
FCFaL

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

[1] FCF 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

Building the best Telefónica Deutschland
Key take-aways

Strong network progress
Targeting ~90% coverage by YE23
Nationwide latest by YE25

Extending ESG leadership
Promoting a sustainable digital future

Growing top-line & OIBDA
Core business momentum with focus on FCF generation

Q1 results well on track for FY23 outlook
Strong commercial momentum

Sustained MSR growth
Driven by core business strength

Thank You
Management Q&A

Markus Haas
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Thank You

We look forward to your feedback

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