



Telefónica Deutschland Investor Presentation

February 2024

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Telefónica Deutschland at a glance

GERMANY

Attractive & dynamic telecoms market

- Strong macro
- Rational market
- Data growth
- Soft convergence
- 3 integrated players
- Largest MVNO
launched 4th mobile
network in Dec-23

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

Strong fundamentals

- *Clear growth path*
- *Robust financial
profile*
- *Strong FCF trajectory*
- *ESG leadership*

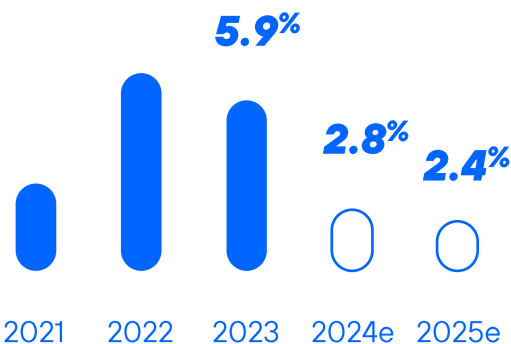
Solid German macro-outlook – Telefónica Deutschland single-country play



INFLATION

2.8%

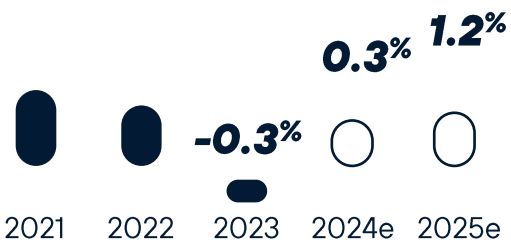
Easing Inflation



GDP

0.3%

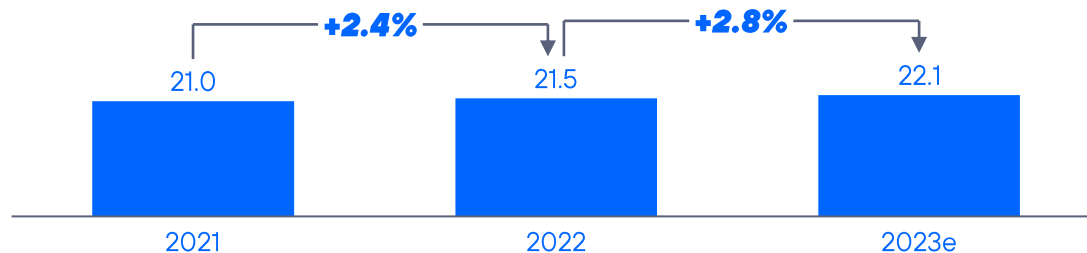
GDP back to growth



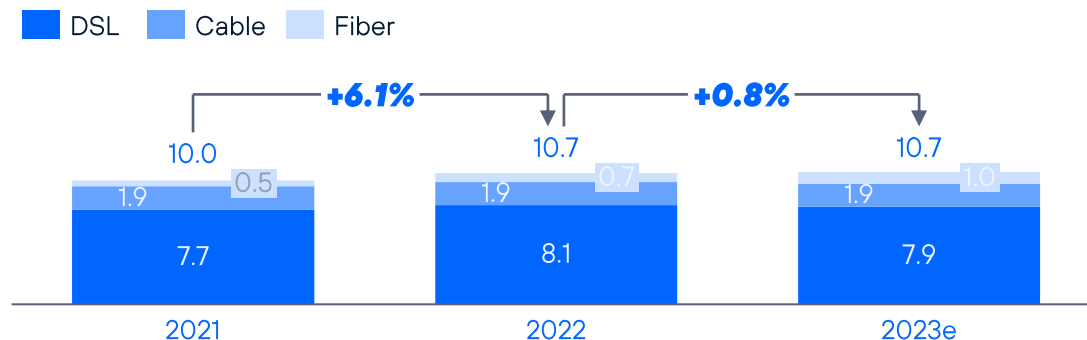
Competitive Environment

MARKET DEVELOPMENT²

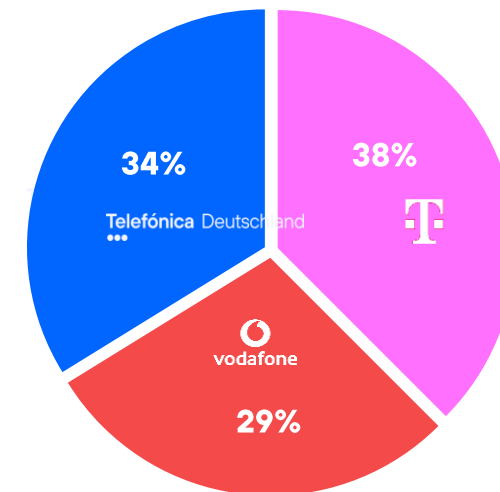
Mobile service revenues² (€bn)



Fixed BB retail revenues² (€bn)



RATIONAL & BALANCED MARKET¹



- Rational market
- Tiered mobile portfolios enabling data monetisation

Strategic framework 'Accelerated Growth & Efficiency Plan' – fundament for a more resilient business model

ACCELERATED GROWTH & EFFICIENCY PLAN

2024 - 2026

GROW MARKET SHARE

Re-balance revenue mix



AS GOOD NETWORK

Improve network capacity & coverage



ACCELERATED TRANSFORMATION

Drive innovation & efficiencies

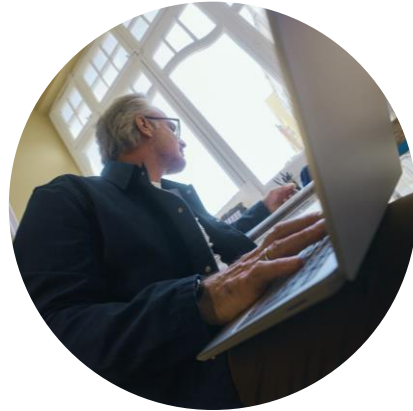


ESG highlights – #1 Telco worldwide in *Sustainalytics ESG risk-score*



EMPLOYEE SATISFACTION

All-time high in
employee satisfaction



INFLATION

Supporting our
employees in managing
inflationary cost pressures



NET-ZERO EMISSIONS

Green electricity and
increased energy
efficiencies



CRISIS SUPPORT

Providing free
telecommunication
support for crisis areas



DIGITALIZATION

Enabling a
digital society

Successfully over-achieved FY23 outlook – driven by robust commercial traction



OPERATIONAL HIGHLIGHTS

>1.3^m

Postpaid Net Adds

90^k

Fixed Net Adds

95%

5G coverage

Accelerated
transformation & digitalisation

FY23 RESULTS

+4.7%

Revenues

+2.7%

MSR

+5.3%

Fixed BB

+13.3%

Handsets

+3.1%

OIBDA¹

+13.2%

Capex/Sales

OIBDA growth reflecting commercial success – FCFaL improved +23% yoy

OIBDA FY23

+3.1% yoy

OIBDA¹

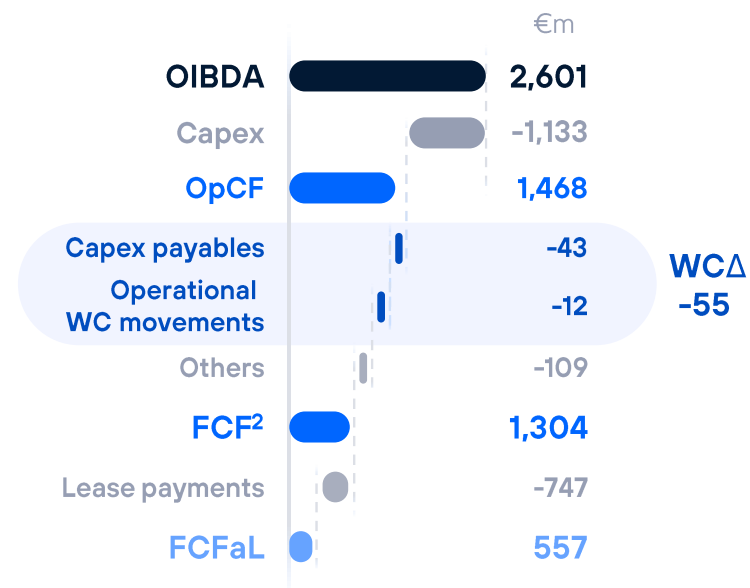
€2,617^m

OIBDA¹

30.4%

Margin¹

FCF FY23



€3,177^m

Net Debt

BBB

Stable Outlook

Confident FY24 outlook based on good business momentum – supported by
'Accelerated Growth & Efficiency Plan'



FY23 RESULTS

Revenues

€8,614^m **+4.7% yoy**

EBITDA¹

€2,617^m **+3.1% yoy**

Capex/Sales

+13.2%

Dividend proposal €0.18/share for FY23

FY24 OUTLOOK

Slightly positive

incl. regulatory headwinds of €70-80m

Low to low-mid single digit % growth

incl. regulatory headwinds of €20-25m

13 - 14%

Confident FY24 outlook based on '*Accelerated Growth & Efficiency Plan*'

TOP-LINE GROWTH

Driven by MSR momentum &
record handset sales

ACCELERATED GROWTH & EFFICIENCY PLAN



EBIDTA GROWTH

Enhanced cash conversion

#1 TELCO WORLDWIDE

Sustainalytics
ESG Risk-Score Rating

OUTLOOK FY24

Confident outlook based
on good business momentum

Thank You
We look forward
to your feedback



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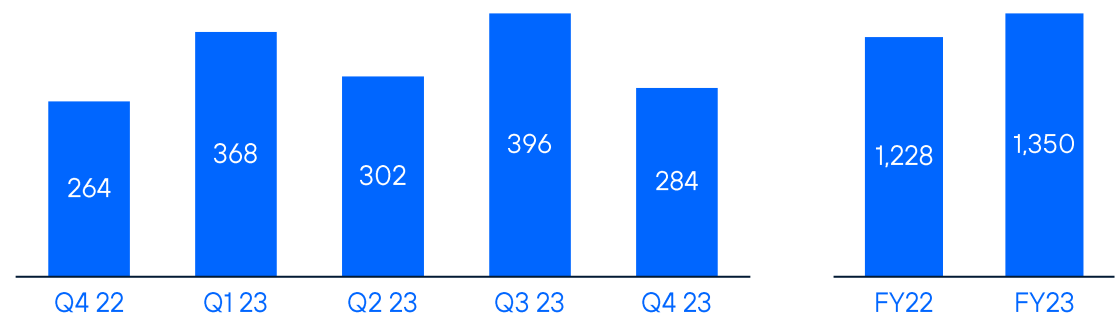
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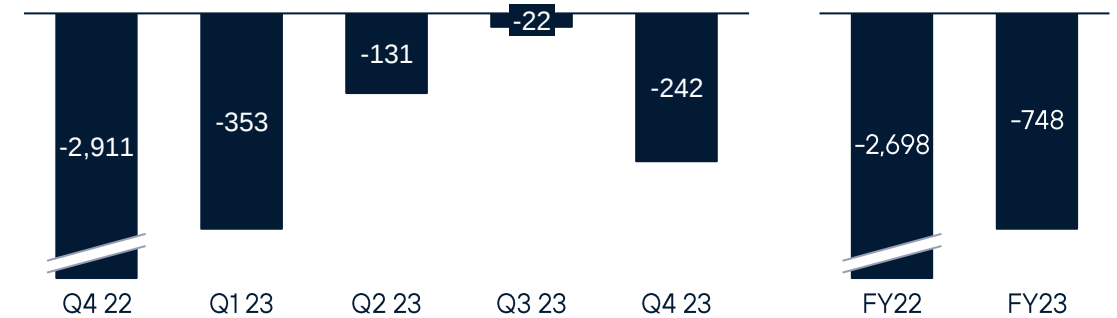
Appendix

Mobile KPIs

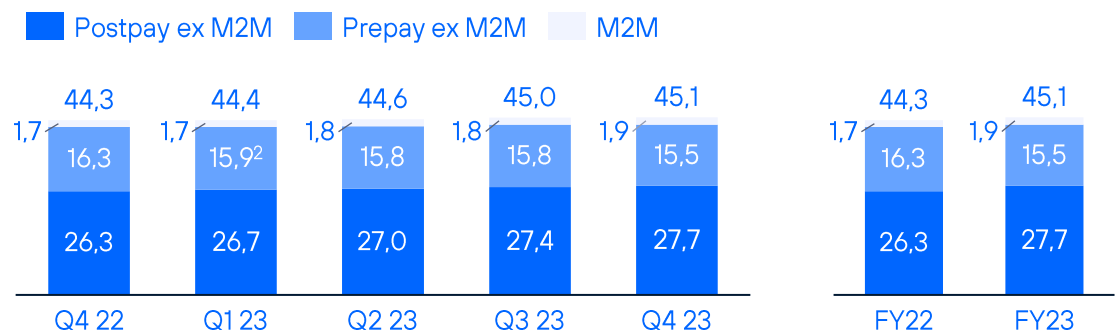
Postpaid net adds¹ (k)



Prepaid net adds¹ (k)

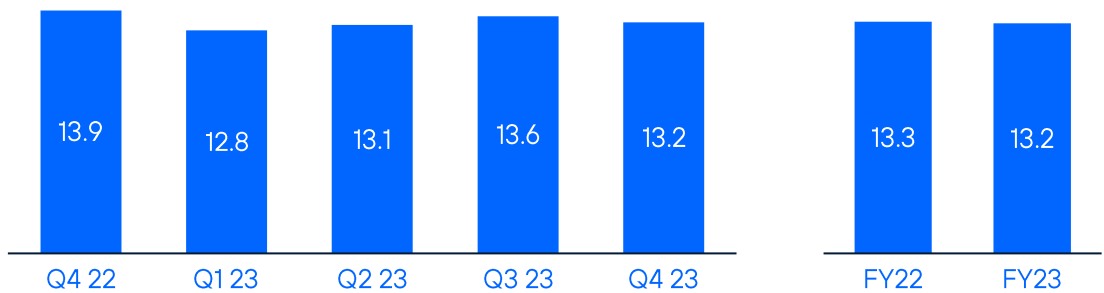


Mobile customer base (m)

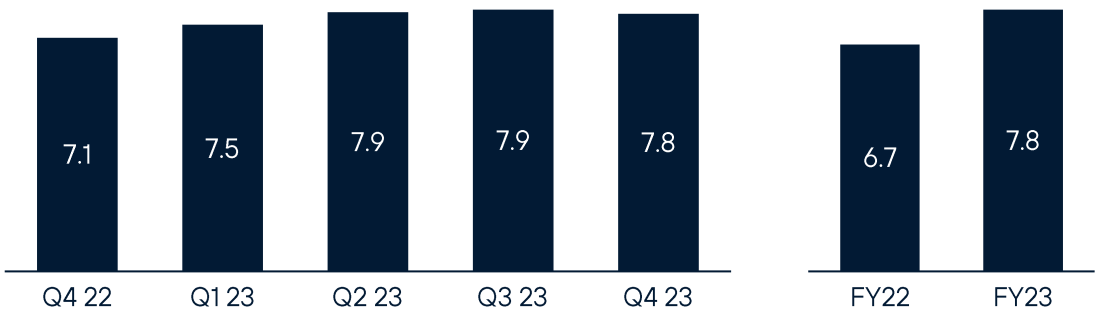


Mobile KPIs

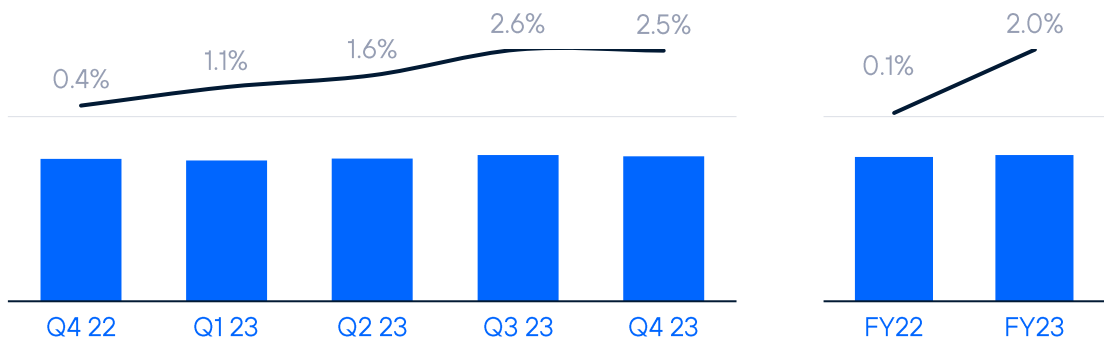
Postpaid ARPU ex M2M (€)



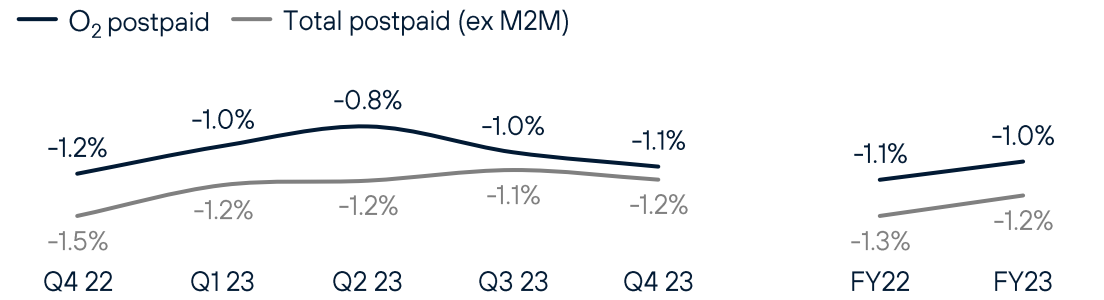
Prepaid ARPU (€)



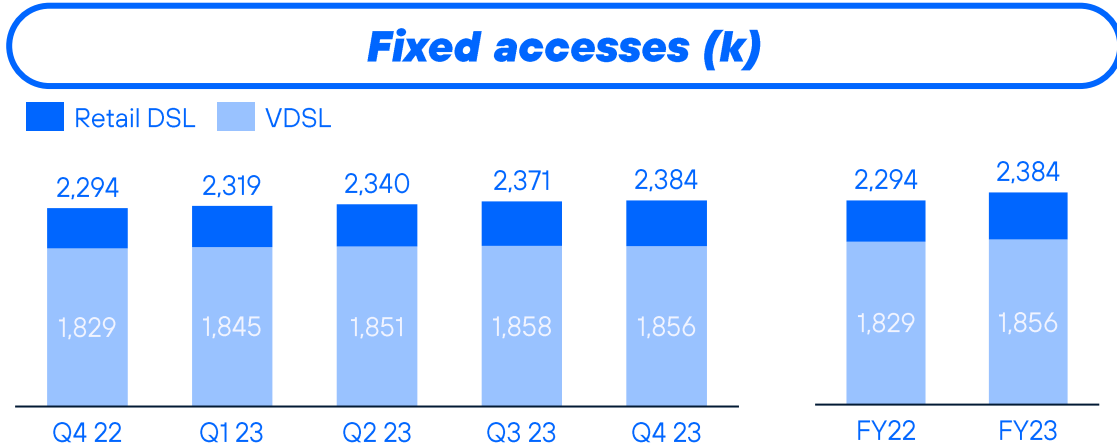
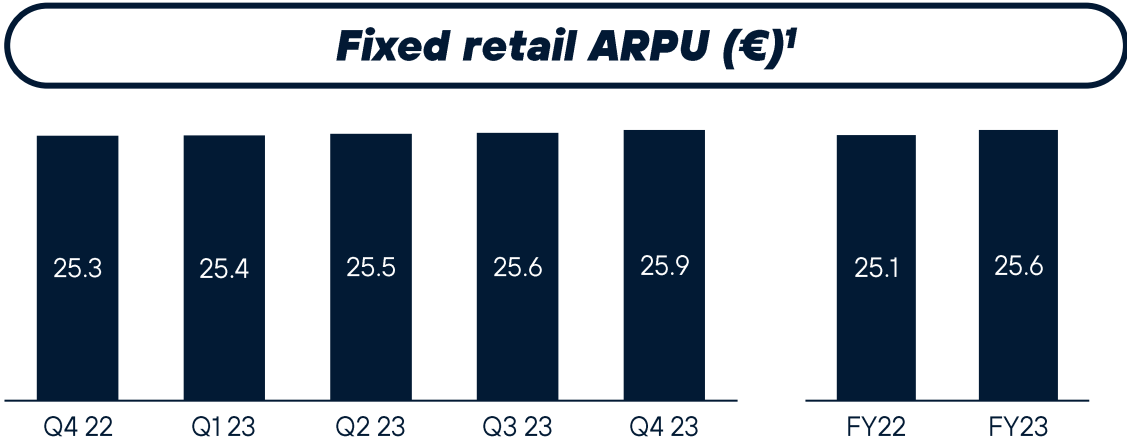
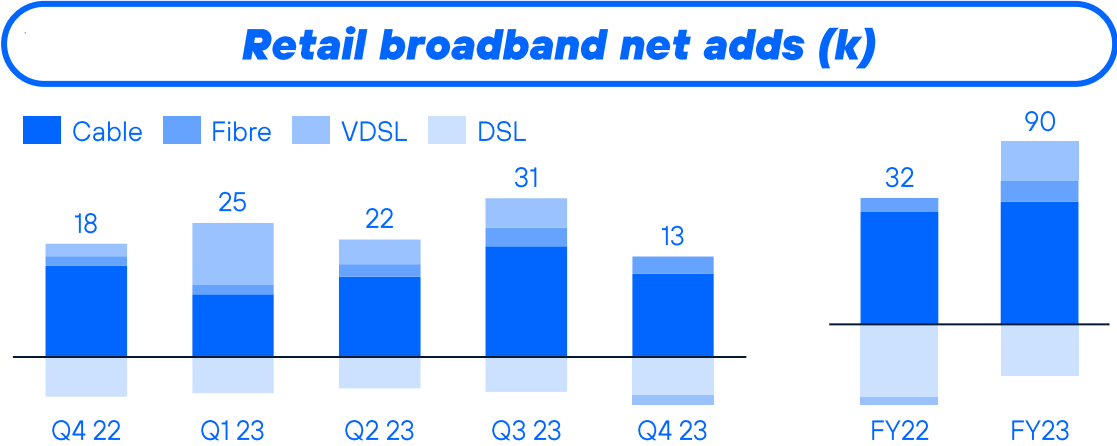
u/I Postpaid O₂ ARPU (yoy %)



Churn rate (%)



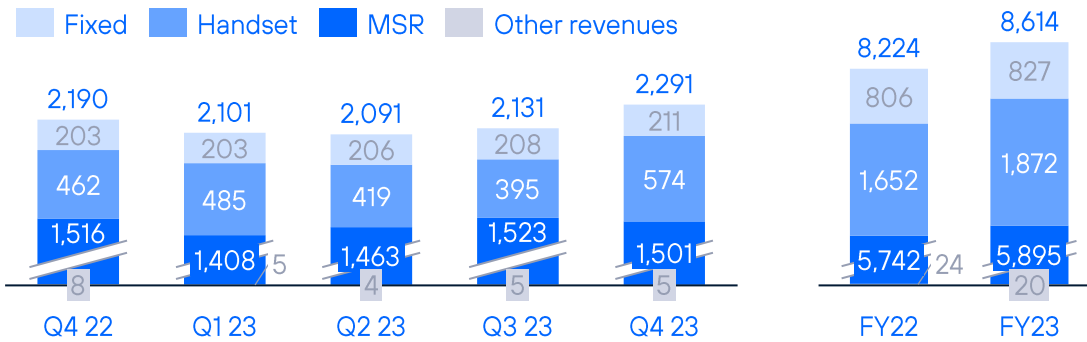
Fixed KPIs



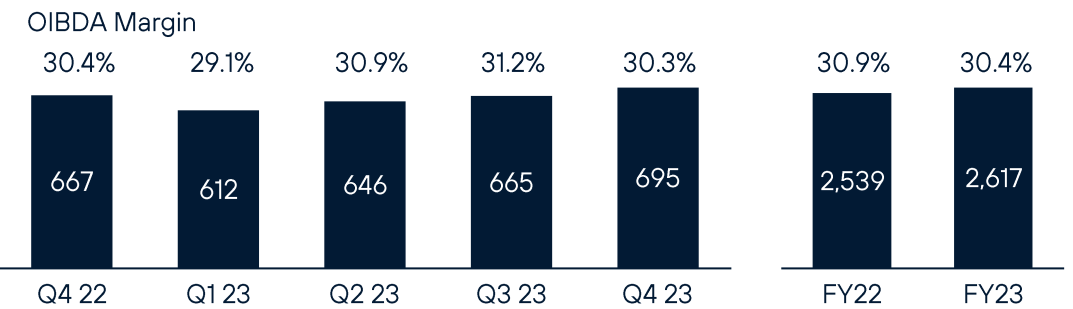
¹ Definition adjustment of fixed BB (FBB) ARPU calculation as of 1 January 2023 to fully reflect all fixed revenue streams; for comparability reasons including adjustment of previous year's values

P&L

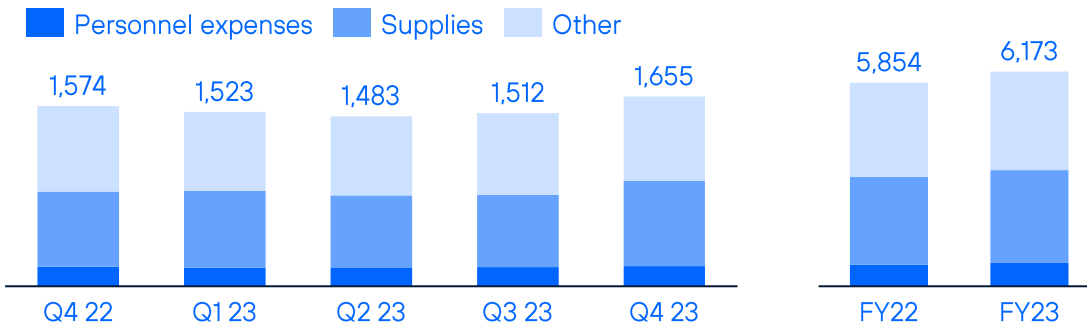
Revenue structure (€m)



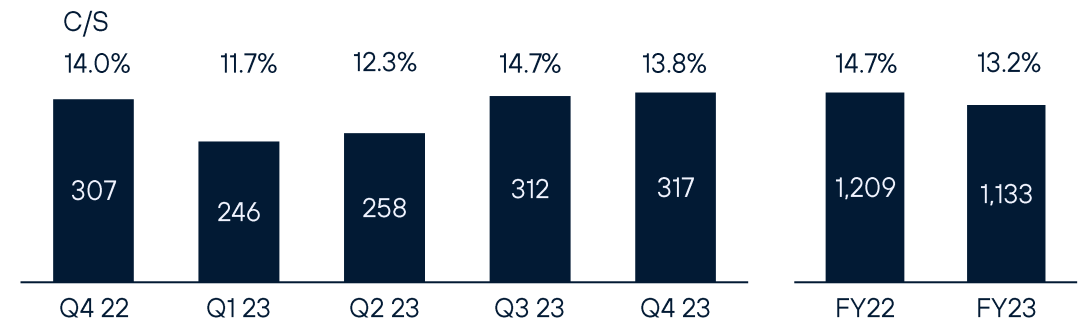
OIBDA¹ (€m)



OpEx split² (€m)

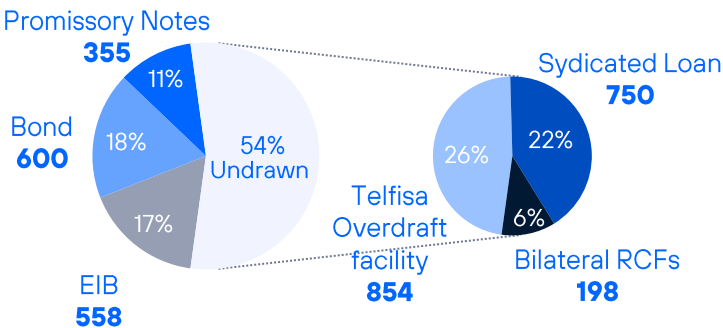


CapEx³ (€m)

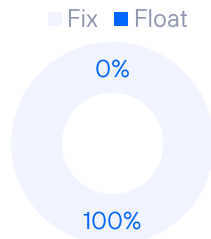


Continuing strong financing profile¹

Financing & Interest mix (€m)



Interest mix of drawn facilities

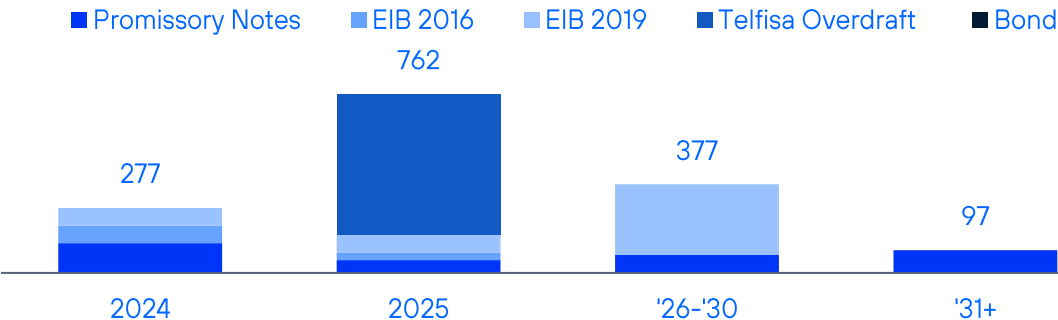


Net Financial Debt (€m)

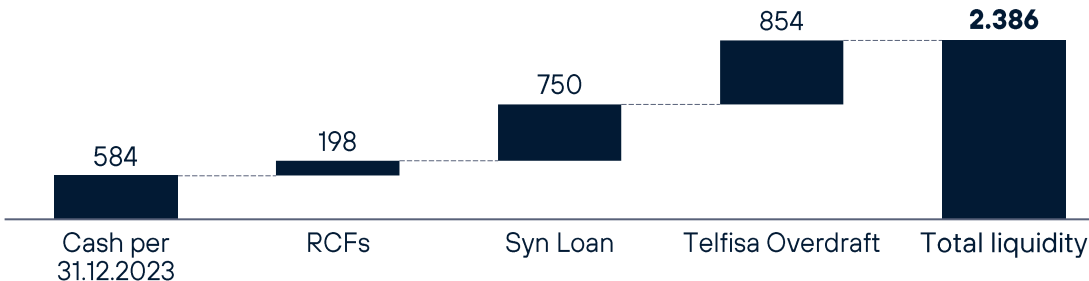
- Committed to maintain Fitch BBB investment grade rating



Maturities¹ (€m)



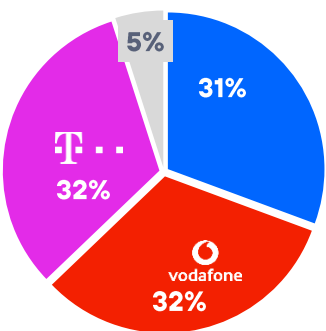
Liquidity (€m)



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

Spectrum ownership

Total spectrum holding



1&1

Telefónica Deutschland

Vodafone

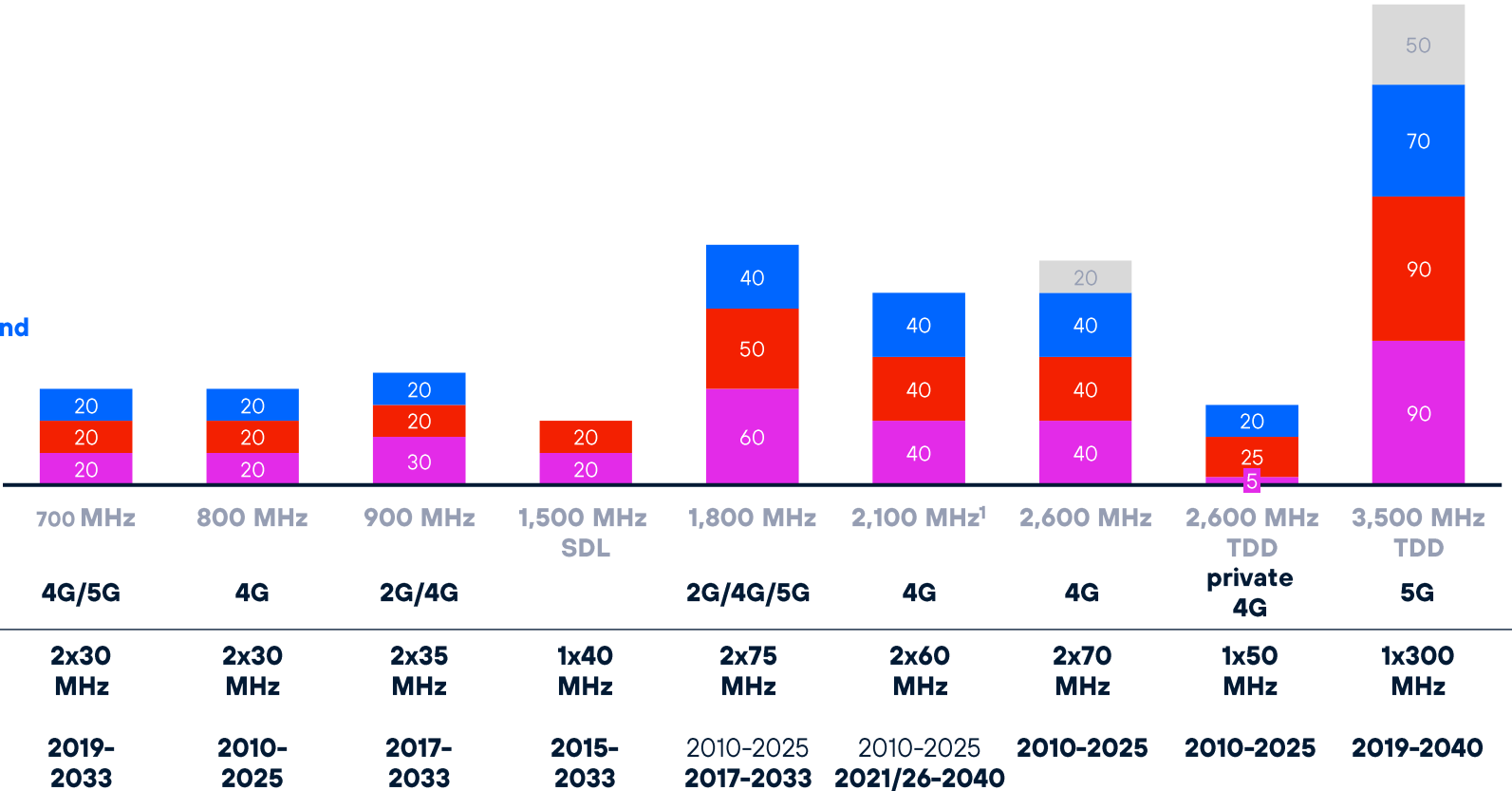
Deutsche Telekom

Frequencies

Utilisation today

Total availability

Maturity



Excellent results in relevant ESG ratings / indices due to active rating analysis and management¹

#1 telco
worldwide (2023)

 SUSTAINALYTICS	Risk Low: 10.6 (Low) Exposure Score: 40.9 (Medium) Management Score: 82.4 (Strong)
MSCI 	Rating: AA
S&P Global	Rating: 64 of 100 pts (88 Percentile)
ISS ESG 	Grade: Prime B- (Good)
FTSE Russel	Successfully listed (4.2 of 5 pts)
	Successfully listed (62 of 100 scores (Advanced))
Bloomberg	Successfully listed (72,63%)²
ecovadis Business Sustainability Ratings	Successfully listed 72/100 (Gold)²

¹Status: Feb-24
²Note: Result 2022. Update expected in Feb-24

Telefónica Deutschland
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